

JPRS 84428

28 September 1983

West Europe Report

No. 2210

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WEST EUROPE REPORT

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MISSILE BASING IN SICILY WILL LEAD TO MILITARIZATION

Rome RINASCITA in Italian 5 Aug 83 p 11

[Article by Antonio De Marchi: "Sicily, NATO's Southern Flank"]

[Text] It won't only involve cruise missiles. Placing Euromissiles at Comiso will result in a massive militarization of the island.

The first months of 1984 may well witness the beginning of a transformation of Sicily into what could be defined as the southern equivalent, from a military installation point of view, of the Friuli or Veneto regions. The arrival of the first batteries of cruise missiles, whose reinforced concrete shelters are now taking shape at the Main Operating Base (MOB) in Comiso, will also mark, psychologically, the beginning of the operational phase of an accelerated militarization process of the island. The transformation of the old, unused Magliocco airport into one of the European bases for the U.S. Air Force's ground launched cruise missiles [GLCM] is in some manner the symbol of the "new" role that NATO's and Italy's political-military planning has assigned to the southern part of the peninsula and to Sicily in particular. It involves a very real change when compared to previous positions, which all focused on the country's northeastern sector. This change is propelled by a complex redefining of allied defense policies and probably goes beyond those signals which, lacking an official explanation, we are today forced to decipher on our own.

It goes without saying that though important from a global balance point of view, setting up a new military base is not sufficient to redefine or to transfer, from a strategic military point of view, a whole regional area. It might perhaps be necessary to understand and explain the reasons for the choice of Comiso over other locations. It is true that if one accepts in toto NATO's thesis by which cruise missiles are to offset Soviet SS-20 missiles, the choice of Sicily becomes irrelevant if compared to, say, Puglie, where 20 years ago Jupiter missiles were installed.

Naturally, Sicily is relatively more defensible than other regions, but it is also further from potential targets to the East. If compared to a base located in Puglie, the cruise missiles at Comiso "lose" between 300 to 400 kilometers in effective range, and thus, dozens of possible targets. On the other hand, they gained just as many to the South, in North Africa and in the

Middle East, namely the "hot zones" of the East-West confrontation, in one of the present-day strategic areas.

Seen in a prospective of a confrontation developing outside and beyond the actual borders of the European operational theater, Comiso's cruise missiles are not instruments of a hypothetical "second volley," or a nuclear delivery means of the West's response to a feared Soviet attack, but rather weapons that guarantee, a nuclear umbrella as part of a logic aiming at protecting the south and southeast of the western territory. In a sense Italy is stepping out of the habitual, stabilized European scenario, to enter in a new unstable and dangerous one. The weapons systems that have been installed to the South appear to add substance to the highest level of strategic doctrine which is at the base of the creation of the U.S. Rapid Deployment Force.

Nonetheless, it is evident that cruise missiles are and will remain weapons for a global confrontation, aside from the fact that inside their guidance computers are stored data on the terrain profiles of mountains in the Balkans and of the sandy expanses of Libya. The cruise missiles, by themselves, are not yet the most significant element in the perception of the accelerated militarization process in southern Italy, and thus a rethinking of strategic aspects of the Mediterranean. However, it certainly allows us to widen the span of our perviews and to go beyond the present terms of the debate.

Already the presence of seven cruise missile squadrons will have a significant effect on plans for conventional military appropriations. They will in fact require base perimeter defense units (most probably specially trained Carabinieri such as those of the "Proteo," the unit that guarantees the safety of nuclear weapons storage depots in northern Italy), troops to escort and protect convoys, units for the defense of Sicily against air and sea attacks, as well as aircraft and missiles for air defense. Today, in Sicily, there are none of the above listed military needs.

It is evident that the military transformation of southern Italy is an undertaking that goes much further than the mere operation of physical security for cruise missiles. It foresees additional operations and additional contingencies. Thus, while the air defense radar warning network is refurbished and strengthened, new Army units are formed while others train in deploying from North to South. Furthermore, in a few months, Boeing E-3A AWACS (Airborne Warning and Control System) will begin operating out of Trapani. These aircraft have very sophisticated radars capable of controlling all the Mediterranean and North African airspace, with a range of several hundred kilometers, while flying off Sicily. A surveillance capacity of this kind requires above all operational capability. For this reason, airports that up until now were barely used or because they were unable to accommodate modern aircraft have had their surfaces hardened so as to allow operations by supersonic fighters and transport aircraft. It has now become routine to see the regular transfer of Italian Air Force squadrons to bases in Sicily. Then there is also the island of Pantelleria, where new military preparations are now under way. In short, in southern Italy the bastions of a great outpost are now being built, one that we can

only imagine. But these are being built to defend us from whom, and how? These are questions that have yet to be answered in a satisfactory manner.

The real problem in fact is that these ever-growing and apparently decided-on measures are the result of a process based on political strategic premises which have already been defined or at least well spelled out. For this reason military preparations must be made slowly when compared to a series of political exterior actions undertaken by the Italian government. One of these, and certainly not of secondary importance, was the accord "to guarantee Malta's neutrality." Italy, together with the government of Dom Mintoff, has agreed to commit itself to the security of the small Mediterranean republic. If this does not involve diplomatic bluff, and Italy's intentions would indicate otherwise, the agreement also means that Italy must provide military guarantees. The risks this entails are easily imaginable.

Nevertheless, the surge toward the South continues. For the first time since the end of the war, our troops are deployed in a tension-filled area. In the Middle East there are three military components to which Italy contributes: the Sinai Multilateral Force, the UN troops belonging to UNIFIL in southern Lebanon and the Multinational Force [MNF] in Beirut. Three military presences, following the years of diplomatic and political vacuum.

Italy's actions appear to have reached even as far as Somalia, where according to different sources, secret military agreements were to have been signed last fall during Minister Lagorio's visit and where our military vessels sailed in order "to show the flag." Thus, Italy is unequivocally pushing to the South. It does this by strengthening its military apparatus in Sicily, which now seems to be taking on characteristics of a military outpost. We were saying that Sicily runs the risk of becoming another Friuli. Perhaps that is not quite so, because if the term "shield," so dear to western strategic thinkers, can be applied to Friuli, the term for Sicily should be "sword," presently being forged as a wedge pointed toward the South.

The Italian government appears confident in its being called upon to assume a different role, a more incisive role than in the past, amid the alteration of the military-political center of gravity within NATO. "The most trusted ally of the United States" (as we are defined by Washington) has taken on the role of guarantor in an area which is no longer at our periphery. That which NATO's Germany-focused terminology defines as the "Southern Flank," today assumes more of a center stage prominence in a policy of "containment" and new interventionism around which Washington is rallying its European allies.

A "containment" of movement, undertaken with ready deployment forces rather than making use of large bases as in the 1950's. This is the logic of the diplomacy of the "Rapid Deployment Forces," the rediscovery of "gunboat diplomacy" on a global scale in order to engage in global, not colonial or subcolonial confrontations. Now instead of battleships, different concepts, other phrases, more complex and colored with more nuance are being heard. One speaks of "readiness," of "forward basing," of "prepositioning." The substance however, does not change. And yet, Italy continues to conform: it strengthens the South, it accepts missiles, acquired the Toronado, a

Eurostrategic bomber whose 1,400 kilometer range props up its small ready intervention force. It will cost almost 300 billion lire and it will apparently be ready by the end of next year. The Ministry of Defense stated it will also serve to protect the civilian population.

But it will serve most of all to provide muscle to our military policy on a Mediterranean scale. Thus while Sicily is transformed into a strategic enclave and logistical bridgehead for U.S. operations directed against the South, Italy is arming itself on a regional power scale. But as part of which concrete policy has not yet been made clear.

9209

CSO: 3528/183

SURVEY OF SPANISH OIL EXPLORATION EFFORTS

Madrid EL ALCAZAR in Spanish 8 Sep 83, p 25

[Text] All major discoveries are in Mediterranean waters. So far, 170 exploratory wells have been drilled. Deposits being worked today will run out in 1993. F. Basco: "So far, 25,000 million tons of petroleum have been discovered in Spanish waters and this figure will rise to 40,000 million tons of petroleum equivalent if we take into account the gas-containing discoveries made during the last 4 years."

These were the terms used by Miguel Angel Remon, of ENIEPSA (National Petroleum Prospecting and Operating Enterprise, Incorporated) during the closing of the 23rd Technical Sessions of Naval Engineering, held recently in Tarragona, and organized by the Official College of Naval Engineers of Spain.

Density of Marine Exploration

Mr Remon noted that the 170 exploratory drillings made so far in Spain's territorial waters point to a density of five drillings for every 10 square kilometers, counting the entire theoretically prospectable area; this figure would rise to 12 drillings if we eliminate areas with a very high water level. The marine exploration density is definitely less than what it is on land--20 drillings for every 10,000 square meters--and it is far from the densities that are normal in other countries with a potential similar to that of the Spanish "offshore" basins.

Mr Remon emphasized that "the Spanish petroleum fields now being worked reached a maximum of 2 million tons--in other words, 5 percent of the nation's consumption volume--between 1974 and 1976, coinciding with the full use of the 'Amposta' field. Starting in 1976, the nation's annual output fluctuated between 1 and 1.5 million tons--or 3 percent of the consumption volume--due to the decline of the 'Amposta' field and the delay in the final installations for the 'Casablanca' field." And he added that "In 1982, the marine output came to 1,454,579 tons and we expect a figure close to 2.5 million tons in 1983--in other words, 6 percent of the national consumption volume--after which we expect a slight decline until 1993, the date we anticipate taking out the last barrel of petroleum although, quite reasonably, new discoveries will be added to the known ones."

Gas Discoveries

The gas discoveries in Spanish waters starting in 1978--with the exception of the marginal accumulation at San Carlos--are located in the Cantabrian Sea and in the Gulf of Cadiz. The accumulations in the Gulf of Cadiz were discovered between 1978 and 1979 and have been estimated at a total of some 2,300 million cubic meters of gas reserve.

The Gaviota gas deposit was discovered in 1980; it is located in the Cantabrian Sea, 8 kilometers from Bermeo, where the water is approximately 100 meters deep. It has been decided that its exploitation is technically and economically feasible. The Albatros gas deposit was discovered in 1981; it is an independent structure, located 12 kilometers from the Gaviota deposit, and it is now being evaluated.

The Amposta field was the first petroleum deposit discovered on the Spanish continental shelf. It is located 13 miles from the coast of Vinaroz, in 62 meters of water. It has been calculated at 8.5 million tons. Operations were started with six wells, in other words, four producing wells and two water injection wells; a permanent platform has been built here, supported by four pilings, anchored 90 meters in the ocean bottom. At 30 meters, another platform for heavier production was built; it rests on six pilings. One of the wells has been completed so that it can produce gas from a small deposit located above the petroleum deposit which is used as fuel for the generation of electric energy on the platform. The equipment was designed for an output of 40,000 barrels per day.

The Casablanca deposit is located 24 miles south of Tarragona and was discovered in 1975. Here, seven wells have been drilled and the production phase began in October 1977. The field's second phase began in February 1982. A fixed drilling and production platform was used here with eight sides and 12 concrete pilings penetrating 90 meters below the ocean bottom. At this time, the field's daily output is 43,000 barrels.

Tarraco is situated 22 miles from the Ebro delta with a water depth of 117 meters. It was discovered in 1976 through the Castellon B-5 exploratory well. This field was developed through the use of the SALS [expansion unknown] system which serves as a point of departure for its development and for application in other fields discovered outside Spain.

Off the coast of Pontevedra and La Coruna, there is a prospectable surface of something like, 5,000 square kilometers. Not a single exploratory well has been drilled here as yet. The seismic work done so far emphasizes that there is a powerful and complete Mesozoic series here whose petroleum and gas possibilities must be investigated during the next several years.

Mediterranean Sea

Here we have 72,000 square kilometers with a depth of as much as 1,000 meters. The first exploratory drillings were made in these waters in 1968. The "Amposta" deposit was discovered in 1970, followed by the discoveries of "Tarraco,"

"Dorada," "Casablanca," and "Montanazo." They represent almost all of the petroleum reserves discovered in Spain and that points to the potential interest of this basin.

Long-Term Summary

Hydrocarbon exploration in the Spanish sedimentary areas situated in the sea began in 1968, on the Mediterranean shelf. Marine exploratory activities were very slow until 1974. And 33 exploratory wells were drilled at an average of five per year.

The passage of the new Hydrocarbons Law in 1974 stimulated exploitation and production activities. This favorable framework led to an increase in the prospecting effort which, starting in 1974 and until today, has been continued on a high and relatively stable level. The absolute marine activity record was reached in 1980 with 22 exploratory wells and 60 team-months, immediately after the second energy crisis, when the price of crude went up 60 percent in real terms.

Mr Miguel Angel Remon in concluding his remarks emphasized that "the results achieved so far are satisfactory and there is every reason to assume that new discoveries will be made during the next several years."

5058

CSO: 3548/500

GOVERNMENT 10-POINT EMERGENCY MEASURES FOR LABOR

Rome L'ESPRESSO in Italian 7 Aug 83 p 91

[Article: "Craxi and the Industrialists: Here Is How the Social Contract Is Made"]

[Text] Rome--The social contract uselessly pursued first by Francesco Cossiga and latter by Giovanni Spadolini could not have failed to emerge in the first Italian "socialist government." According to Gino Giugni, drafter of the "labor plan" for Craxi, it will be called "concerted economy" and it will be expressed in a "periodical concerted contract between government and social forces." Giugni is the father of the Labor Code and of last January's trade union agreement drafted together with Enzo Cotti. Giugni explained that institutional reforms are necessary for the economic program. Why? Because Giugni, who once again is serious, wants a "government technical support agency for concerted social action" immediately. And since one was established by the constitution, but is completely inefficient, such as the CNEL [National Council for Economy and Labor], he believes that constitutional measures must be taken to eliminate the useless CNEL, or reform it radically. With this institutional problem solved, Craxi will have all the instruments he needs to launch his social contract, a choice somewhat different from De Mita's authoritarian line. But to do what? Big plans but also some immediate measures. The Giugni plan lists them in a concrete and detailed way. Here is his decalogue.

First: Take steps to decrease the cost of labor by consolidating value added tax rates (and revising the cost of living market basket). Furthermore, the planned inflation ceiling (13 percent) will be exceeded by the end of 1983, and further braking mechanisms will be needed to control wage indexation.

Second: Reform the Labor Code especially regarding controls for sick leave, mobility within the plant, and firing practices. Giugni explained that it is not longer necessary to take care of the workers' interests "within the enterprise: but "within the market." He explained that in terms of mobility, the Italian economy is moving toward a postindustrial model.

Third: Implement the law on strikes in public services but only after "serious guarantees of solid party support." No one will be allowed to play dirty.

Fourth: Provide incentives for democracy in the trade unions, particularly concerning deliberations on labor contracts.

Fifth: It will be necessary to begin an Italian program of "worker participation in company administration" in a broad-based government program (if Craxi survives his first year). After all, Social Democratic coadministration is one of the reasons for the German economic miracle.

Sixth: Experiment in some parts of the country with employment agencies whose costs would be covered partially by unused EEC funds.

Seventh: Launch a law covering "solidarity contracts." What are they? Plants having problems would not fire workers or put them on unemployment compensation but would shorten the work day so that everyone would work and everyone would draw some unemployment compensation. The cost of this operation would be divided among the unemployment fund, the workers and the industrialists.

Eighth: Unemployment payments would be limited to 2 years at most. Those receiving unemployment compensation will be employed in socially useful projects.

Ninth: To give work to the 1.3 million unemployed youth, it will be necessary to ease employment of registered workers, of part-time workers, of those on fixed-term contracts and reduce the cost of employing apprentices.

Tenth: Bargaining over disability pensions will cease. Anyone doing paid work for more than three times the pension minimum will not be entitled to a disability pension. And the "disabled" who seek work (for example by registering on employment lists) will be given medical examinations to determine whether they are really disabled. Finally, the practice of allowing privileged persons to retire before the age of 65 will be stopped. Gradually but firmly, the retirement age will be made the same for everyone.

6034

CSO: 3525/184

STUDY CENTERS REPORT ECONOMIC OUTLOOK FOR 1984

Rome L'ESPRESSO in Italian 7 Aug 83 p 95

[Article by Paola Pilati: "Things Will Not Go Well; Perhaps Badly"]

[Text] Nine research institutes tell us how the economy will be next year.

Our economic wizards have been at work for months rummaging among statistics from the Government Accounting Office, distilling numbers from Bank of Italy tables, analyzing the phenomena of international markets. They loaded everything into their electronic brains and finally gave the long awaited response: Let Italians and the future government know what the situation will be in 1984. And even if the data of one or the other are never the same, on one thing everyone agrees: that 1984 will be less difficult than preceding years, but it nevertheless will be a difficult year to interpret because it is very fragile and unpredictable. Fragile because it is the child of an economic policy in convalescence that could be made sick again by a light draft; unpredictable because it will be marked by a recovery still too bitter and very subject to outside influences.

L'ESPRESSO compared the forecasts of nine national and foreign research centers to see where they agree and why. We examine them point by point.

Optimism of Desire; Pessimism of Inflation

To estimate inflation is unquestionably the most interesting phase in the exercise of prediction. Particularly for a country such as Italy in which inflation is like the ghost of Banquo for Macbeth. The only comfort for Bettino Craxi's desire to reduce it within the coming year to 10 percent comes from CER, the European Research Center run by Giorgio Ruffolo. The CER says it should drop by 10.7 percent thus considerably reducing the differential with other industrialized nations. But the other forecasts are not as optimistic: Prometeia, the research center run by former Treasury Minister Nino Andreatta, forecasts 13.3 percent, while others fluctuate between 12 and 13 percent. In practice, the objective of reducing inflation set by the government this year will be achieved with considerable delay. The reasons? In part those structural aspects of our economy, which is afflicted by a difference between constantly high wholesale prices and retail prices because

of a lack of competition in distribution, but also in part because the "contradictory policy of public rates" (as observed by ISEL, the CISL [Italian Confederation of Labor Unions] research center) whose increases weighed significantly on the price index and therefore inflation.

Small Recovery

After a stagnant 1983 in which the gross national product [GNP] remained stable or even declined (by 0.3 percent to 1 percent, according to the forecast used), 1984 will be unquestionably a turning point. The most optimistic in this sense is the estimate by ENI [National Hydrocarbons Agency] which goes so far as to indicate a GNP growth of 3.4 percent. The others, from OECD to ISCO (Institute for the Study of Economic Trends), do not go beyond 2 percent. At the same time, they will divide industry investments into equipment and plants, favored by some tax laws (particularly the second Visentini Law). But here the differences between different forecasts are considerable: 1.6 percent according to Prometeia; 2.8 percent according to IBM's Research Office; 1 percent of OECD; 1.1 percent for Confindustria. ENI instead predicted an increase of 6.8 percent while CER, at the opposite pole, indicated a decrease of 1.7 percent. Finally, domestic demand should be stimulated even though real disposable income, that is the money that families have to spend, will increase less than the GNP precisely because of price increases.

But in this moderately rosy picture of recovery (the balance of payments remained a deficit, and, the Confindustria Research Office noted, our products will not regain sufficient competitive levels) there remains the greater unknown of the national debt. Government spending is in fact, even in 1984, the most dangerous and unpredictable factor. OECD observed, "The problem of controlling government spending will become more pressing in 1984 since the effects of some 'one-time' tax credits (ed. note: forgiveness) will end, and because of delay in preparing the budget due to the elections." According to calculations by various research centers, the national debt should reach 100 trillion lire, give or take a billion.

Unemployment in Alert Stage

Unemployment is the only factor that does not lessen its hold on our economy. Forecasts on the number employed in fact are very pessimistic: They range from an increase in the rate of unemployment reported by CER and by Prometeia (respectively of 10.5 percent and 10.1 percent, against 10.1 and 9.8 in 1983) to the same level, in the best of circumstances as the current year. Therefore no hope for those who look for work and for those who are on unemployment compensation because it is not likely that new jobs will be created (and it will be a miracle if those that already exist are preserved). And this despite the fact that the CLUP (Cost of Labor Per Unit of Product borne by the company) will improve significantly compared with 1983.

QUEL PASTICCIO DELL'84

	(b) Cer	Pro- metela	(c) Oce	(d) Isco	(e) Isel	Confin- dustria	Eni	Ibm	Wharton Econo- metrics
(f) prodotto interno lordo (aumento)	2.3	2.4	2	2	2.4	1.8	3.2	2	1.9
(g) inflazione	10.7	13.3	12.2	12.5	12.5	12.31	12.8	12	12.8
(h) disoccupazione (sul tot. degli oc)	10.5	10.1	—	—	9.2	9.8	10.3	9.6	8.9
(i) investimenti (in macchinari) (um. o diminuz.)	-1.7	1.6	1	2	—	1.1	6.8	2.8	2.3
(j) costo del lavoro per unità di prodotto (aumento)	9	9.1	—	—	10.8	9.1	9.9	12.3	—

(k) Ecco le previsioni dei principali centri economici italiani ed esteri sulla nostra economia nel 1984, per le voci più rilevanti.

Key:

- (a) The 1884 Mess
- (b) European Research Center
- (c) OECD
- (d) Institute for the Study of Economic Trends
- (e) CISL Research Center
- (f) Gross national product (increase)
- (h) Unemployment--percentage of total employed
- (i) Investment (in machinery--increase, decrease)
- (j) Cost of labor per unit produced (increase)
- (k) These are the forecasts for our economy in 1984, by the most important indices, made by the major Italian and foreign research organizations.

6034

CSO: 3528/184

BRIEFS

INDUSTRY LEADERS ON ECONOMIC POLICY--Eight business organizations with N.A.F. [Norwegian Employers Association] director Pal Kraby in the lead gave a letter to Premier Kare Willoch this week with specific demands for future economic policy. That increase in prices, costs and public expenditures must be limited so that the competitive position can be improved and employment maintained were among the principal points made. The premier stated that this was also the governing Conservative party's goal, but it has not always been possible to get a majority of the Storting to go along with these policies. With regard to next year's state budget the premier said, "We must study further how far we can go." [Text] [Oslo AFTENPOSTEN in Norwegian 13 Aug 83 p 3] 9906

CSO: 3639/160

GOALS OF GOVERNMENT'S ECONOMIC PROGRAM TOO HIGH

Lisbon EXPRESSO in Portuguese 20 Aug 83 p 13

[Commentary by Fernando Ulrich]

[Text] The government has made public the main objectives of its economic policy for the next 18 months. The first objective is to reduce the deficit of the balance of present transactions to \$2 billion in 1983 and to \$1.25 billion in 1984. The second objective, which is at the same time an instrument, is a limitation on the growth of foreign debt at \$1 billion in 1983 and \$1.4 billion in 1984. The third objective consists in reducing the deficit in the administrative public sector to 8 percent of the Produto Interno Bruto (PIB) [Gross National Product (GNP)] in 1983 and to 6.5 percent of the GNP in 1984.

Qualitatively there is nothing to say about these objectives. They show good sense and are compatible among themselves. We agree with everything.

However, it is important to try to evaluate the scope of the adjustments attempted in a determined time interval and the possible consequences to the national economy and the life of enterprises and citizens.

With the data at present (un)available about the recent evolution of the main macroeconomic variables and the absence of information about the monetary program (which probably was contemplated in the agreement with the IMF) it is difficult for outside observers to prepare very deep analyses. However, I think that it will be worthwhile to attempt to do so, with the understanding that no more than speculations about the topic can be made.

It is in this spirit that Chart I was prepared in which the evolution of monetary financing of the economy is presented. In other words, it could be said that the presented values relate the additional domestic and foreign credit granted each year to the totality of the economy.

Before attempting to proceed with the reading of the chart it is important to take into account that it was composed on the basis of a series of simplifying hypotheses and therefore should not be taken literally. For example, it was admitted that the distribution of domestic and foreign credit by families, private enterprises, public enterprises and banks (dealing with

foreign credit) in 1983 will maintain the same proportions as registered in previous years.

Well, everything indicates that this will not happen: the families will use less credit, the public enterprises will be forced to obtain more domestic credit, and so forth. Then, just as the estimated value for the total does not depart too much from reality, it is natural that the distribution by sectors would be altered.

On the other hand, it should be pointed out that it was considered that domestic credit to enterprises (public and private) and privately-owned will continue to grow during the rest of 1983 at the same rate registered during the first quarter, that is at 24 percent.

Taking into account these limitations (and others which lack of space does not allow us to explain) and considering that the chart is the result of well-intentioned speculations, some lines of reflection can be extracted:

The attempted adjustment is considerable seeing that monetary financing of the economy could decrease by 100 million contos, and its proportion relative to the GNP will decrease by 10 percent. Perhaps it would help to get an idea of what this represents if we state that in 1977 the growth of credit to the economy represented 29.3 percent of the GNP... It decreased to 25.3 percent and 26.6 percent in the following two years, to present then the values of the chart.

If the size shown is not too much removed from reality it is legitimate to ask if one considerable portion of the adjustment has not already been achieved during the first quarter of 1983, without implying that the effort programmed for the rest of the year would be frightening and not realistic. I do not believe that the government has made a commitment with the IMF for objectives that it will not be able to reach already in 1983.

The previous doubt seems to be confirmed by the fact that the now announced objectives in the balance of payments and of the state deficit are very close to the ones presented at the end of 1982 in the GOP for 1983 (see Chart II).

Apparently the dose to be applied to public enterprises seem to be very strong. In fact, the credit increase to this sector goes from 12.5 percent of the GNP for 1982 to 4.8 percent in 1983. In the agreement between Brazil and the IMF the objectives for those years were 13.8 and 7.9 percent.

If the "public sector in the extensive sense" is considered as the administrative public sector plus public enterprises, we have a reduction from 22.2 percent to 12.8 percent of the GNP.

Thus, if the agreed objective for the deficit of the administrative public sector, however difficult to achieve, seems realistic and even is similar to the one that has been established at the end of 1982, the total implicit

objective for the "public sector in the extensive sense" already seems to be very strong. We should recall the agreement with Mexico in which the deficit of the public sector should decrease from 18 percent of the GNP in 1982 to 8.5 percent in 1983.

Chart I

Credit growth to economy
(domestic and foreign)

	(million contos)			
	1980	1981	1982	1983
Private Sector ¹	197.1	240.7	313.7	342.7
Public Sector	100.4	136.1	220.8	106.7
State ²	114.9	183.4	178.5	176.0
TOTAL	412.4	560.2	723.0	625.4
% GNP	34.2	38.6	39.3	28.4

(1) Include Enterprises and Families

(2) Administrative Public Sector

Sources: 1980 and 1981--Report from Banco de Portugal
1982 and 1983--Author's speculations

Chart II
(1983 Objectives)

	Nov 82	Aug 83
BTC Deficit.....	-2.1	-2.0
SPA/GNP Deficit.....	7.1%	8.0%

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CSO: 3542/208

PLANNING UNDERWAY FOR ANGOLAN DAM PROJECT

Lisbon DIARIO DE NOTICIAS in Portuguese 26 Aug 83 p 1

[Text] Portugal is waiting for Angola to supply certain technical data to be able to conclude the contract for raising the Cambambe dam, the State Secretariat for Cooperation explained yesterday. The secretariat added that it is not financial difficulty that is delaying the signing of the contract for that project in Angola.

The process began in May 1981 when representatives of Somague, Engil, Teixeira Duarte and Banco de Fomento Nacional [National Development Bank] went to Angola to contact local authorities about the problem.

It was planned that the portion of civilian construction of the raising of the dam and of the second plant would be done by a consortium made up of the Portuguese firms Somague, Engil and Teixeira Duarte. The electro-mechanical equipment was to be supplied by another Portuguese consortium made up of Efacec, Sorefame and Mague.

The financing, about \$150 million (about 19 million contos), would be as follows: 50 percent would be guaranteed by Portugal and the rest by Angola through supply of petroleum.

In February of this year, a joint document of the Ministries of Finance and Industry said that the project had exceptional importance for our country.

At the same time, a document of the Angolan Ministry of Energy and Petroleum created a Negotiating Commission for the Cambambe Project, to proceed with all the work leading to the signing of the contract.

Later on, there were general legislative elections in Portugal and the government was replaced.

Management sources contacted by ANOP [Portuguese News Agency] admitted that the passing from the Executive of the Democratic Alliance to the PS [Socialist Party]-PSD [Social Democratic Party] bloc could have contributed to some delay in the signing of the contract for the work at Cambambe, which President Eanes visited when he made an official visit to Angola in April 1982.

11634

CSO: 3542/208

PRESS OPINION ON SHOOTING DOWN OF KOREAN PLANE BY SOVIETS

Initial CP Organ Reaction: Condemnation

Copenhagen LAND OG FOLK in Danish 3 Sep 83 p 2

[Editorial: "Dangerous Abuse"]

[Text] A cold-war psychosis is now raging again: the background is the claim that a South Korean civilian passenger plane was shot down in Soviet airspace. From the Soviet side, it has only been confirmed, however, that the aircraft, for quite some time, had been violating Soviet airspace, and that Soviet fighters had spotted the aircraft and had tried to make it land.

There has thus been no confirmation that the aircraft was shot at. However, if the wreckage is found, an investigation will probably clarify what led to the destruction of the aircraft and to the deaths of the 269 innocent people aboard the aircraft.

Should the information from the United States and Japan prove correct--viz. that the civilian aircraft, without prior warning, was shot down--it will have to be condemned most vehemently. An act of this kind is equally barbaric, whether it is committed by Israel or the Soviet Union. There is no excuse for it.

However, many unclarified circumstances surround the tragic incident. And it is in the interest of everybody that light be thrown on them quickly. Regardless whether or not the claims made by the United States turn out to be justified, any facts which the Soviets may be able to provide ought to be presented as soon as possible.

That will serve everybody's interests best. And that is not only due to the profound seriousness of the matter itself. It is also necessary in view of the unrestrained use made by the US propaganda machinery in all countries of the tragic incident.

With lightning speed, they have aimed at using it as an argument against the policy of detente and as a welcome means to destroy the growing support of the demands of the peace movement. For it is a support which causes equal concern within the U.S. military industry complex and among right-wing forces in Western Europe, which is to be made an advanced nuclear base for the United States.

That is why the forces of war regard the incident as a welcome opportunity to create a climate which will cause another jump in the arms build-up, and where the efforts toward detente will be dealt another blow. They want to exploit the tragedy to poison the atmosphere of confidence which is necessary to make further progress toward disarmament and relaxation, of which the world is in such dire need.

No matter what the truth may be behind the wrecked aircraft, the roar of propaganda must not be allowed to set aside sober considerations. For they are more needed now than ever before. Not least in a world where weapons technology today question the very survival of mankind itself.

The aircraft tragedy will have to be solved and must not be abused to give peaceful co-existence another setback.

CP Organ Disgusted by Both USSR, U.S.

Copenhagen LAND OG FOLK in Danish 6-9 Sep 83 p 2

Editorial: "Matter Savoring of Provocation"

Text: The matter still has not been clarified how and why the South Korean passenger plane with 269 people aboard exploded over the sea between the Soviet Union and Japan. From the Soviet side, it is maintained that only warning tracer shots were fired along the sides of and not aiming at the plane, and that ordinary trace ammunition was employed.

And while the evidence is lacking, new information makes it necessary to raise a number of questions addressed at two other parties to the tragic incident: the United States and South Korea.

How is it possible for an aircraft, using a closely monitored route, to deviate 500 kilometers from its course? And is there any explanation why all of the radio and course control functions fell out at the same time?

And how on earth is it possible to explain how the South Korean pilot could act in such an inexcusably callous manner toward the many innocent passengers for whom he was responsible, in that all of the warnings and requests apparently were entirely ignored.

And, finally, it does appear incredible for the United States to participate in the affair with military spy planes of a similar appearance as the passenger plane near its route and a few hours before it leaves its scheduled course.

A pattern is appearing of a well-planned act of provocation which the propaganda agencies operating behind the scenes were ready to exploit to a maximum. That, of course, does not make it acceptable to shoot down a civilian aircraft.

For one thing, however, this is denied by the Soviet Union, which, of course, is used to handling constant provocations of a similar nature without such enormous

consequences. For the other, the times stated on this point do not tally: an aircraft against which a missile has been fired some people claim even three!) is not able to continue its flight for another 10-12 minutes.

Finally, the affair fits too well in with the U.S. plans and too poorly with those of the Soviet Union. The matter savors of provocation against relaxation and disarmament.

Socialist Party Organ: Kremlin Responsibility

Copenhagen AKTUELT in Danish 3 Sep 83 p 8

[Editorial: "Kremlin Responsibility"]

[Text] The shootdown by the Soviet Union of a South Korean airliner with 269 people aboard will have far-reaching consequences, not least to the Soviet Union.

The slaughter of 269 people--and the brutal missile attack cannot be described otherwise--is a crime. What remains left is finding those guilty, whether they are to be sought on Sakhalin island or in Moscow.

There is no doubt whatever that the Soviet fighter pilot acted according to orders received from his base. The recordings of the pilot's radio communications with his home base are sufficient proof.

The question which invariably comes up is from where the base got its orders. And that is a question which Moscow will have to answer. A casual statement of 22 lines from the news agency TASS is no help--and it does not become more credible by being repeated word for word by the Soviet Foreign Minister Andrei Gromyko.

There is no excuse for what has happened. However, the world is entitled to an explanation. What has emerged from Moscow till now does not merit such a description. And as long as the Kremlin chooses to remain silent, Yuri Andropov and the entire Soviet leadership will have to accept that the shoot-down is regarded as part of the official policy of the Soviet Union.

In such a situation it is no wonder that the world will react with disgust and anger.

The present silence, in any circumstances, makes the Kremlin a party to this crime.

'Disturbingly Revealing' of Soviet Nature

Copenhagen AKTUELT in Danish 8 Sep 83 p 8

Editorial: "The Admission"

Text: Not even the cynical shooting down of a passenger plane and the actual murder of 269 people should be allowed to step up the tension in the world and hinder the superpowers in their attempts to reach an agreement on detente--but the incident involving the South Korean passenger plane is disturbingly revealing of Soviet nature.

For nearly a whole week, the Soviet Union denied its "act" and its responsibility. Subsequently, the Soviet propaganda machine went into action, attempting to turn the tragedy into an attack arranged by the United States on detente. Only when the Japanese and the Americans played tape recordings of the Soviet fighter pilot's detailed description of the missile attack, did the Soviet Union give in and admit it!

The fact that Soviet TV continues to broadcast lies to the effect that the South Korean aircraft was flying with extinguished lights is degrading and despicable. The fighter pilot says the opposite thing.

Of course, it is a question of a mistake. A disastrous and disturbing mistake, which actually ought to further relaxation. But regardless how flagrant the mistake is, and regardless of the extent to which the Soviet defense leadership has acted without the authority of the Soviet political authorities, and regardless how exceedingly clumsy the responsible Soviet military authorities are, the role of the Soviet Union in the matter remains incredible.

At least, they have lost their credibility.

Independent Left Paper Defends Sanctions

Copenhagen INFORMATION in Danish 8 Sep 83 p 8

Editorial: "Sanctions"

Text: Pressed by the steady stream of new evidence, Moscow has admitted that Soviet fighter planes shot down the South Korean plane last week. It happened in accordance with Soviet law and "an order from the military command office of the Soviet Air Defense Forces, it said in the government statement issued.

This may be a further indication that the decision to shoot was made solely within the military apparatus. It touches on the most important question emerging in connection with the shootdown, viz. the relationship between the political and military decisions in the Soviet Union.

One may wonder whether the decision made by the military reflected a rigid interpretation of the 'standing order' to protect the borders. Also the new

information which has emerged seems to indicate that the fighters were sent into the air to shoot. The pieces of tape recordings which have now been played to the world public further seem to indicate that the Soviets may have come to realize that it was not an American RC-135 aircraft--nevertheless, they had to shoot. Whether that was the case, or whether it was a question of a military operation to which more consideration had been given, we probably shall never get to know, and either explanation is frightening.

The fact that the Soviets have disclaimed all responsibility, and the use made by the Soviet propaganda machine of the incident are also frightening.

"All the actions on the part of Washington are aimed at obstructing the missile talks," that also applies to the 'provocation' involving the South Korean aircraft, the news agency TASS writes. "Here one clearly discerns the imprints of the American special services, which have become quite clever at organizing this kind of dirty action," PRAVDA writes.

At the same time, the provocations within the Scandinavian territorial waters involving Soviet submarines continue, and it is hard to regard the shootdown of the aircraft as an isolated answer to an isolated situation. It resembles background music to an entirely different piece than the one played from official political quarters in Moscow.

While the incident tells us a good deal about the Soviet Union, it also tells us much about the United States and the nature of the game between the superpowers.

Especially since there is reason to assume that the Soviet military acts independently, it is vitally important for the course of events to become disclosed as accurately as possible. Washington has released some of its information, but in short pieces at a time and with delays. It seems to indicate that they intend to economize on their knowledge and to use the disaster to make the entire world realize that Moscow cannot be trusted--it can merely be controlled by military means.

The material available to the Americans does not seem to be used for the information of the public but to present the Soviet Union the way the Reagan administration sees it. It would probably benefit the efforts toward peace a good deal more if Washington had quickly disclosed all the information available to it instead of using it as pieces in a huge jigsaw puzzle. The pieces are given to us one by one, and eventually we shall have the American picture of the Soviet enemy on the table. This is one of Reagan's sanctions which the U.S. allies are not asked to support.

The United States has not resorted to the sanction to break off the Geneva talks, the world press points out. And the hawks within the U.S. Congress sulk. One wonders who has advised Ronald Reagan in this matter, for he has displayed an entirely new tactical ingenuity and ability to avoid expressing and making major blunders. He seems to have abandoned a blustering and impetuous style for the benefit of a carefully prepared ideological sanctions policy.

while the president of the United States has made the hawks and the hotheads cross, the chances for his MX program have become strengthened in Congress. The same thing probably also applies to the chances of forcing through the desired expansion of the Japanese navy. And in Western Europe, the shootdown of the aircraft and President Reagan's new style have, no doubt, benefitted the cause of the United States.

The apparently tactically well-prepared game of providing information on the maneuvers of the Russians has developed into some kind of cat and mouse game, which also brings to light the most odious aspects of the Soviet propaganda machine.

How much Reagan will get out of his ideological sanctions policy is, of course, uncertain. Its worst consequence may be a greater actual isolation of the Soviet Union, although no formal steps have been taken. It may prove disastrous in a situation where the superpower to the east after the change of power has shown that it need not always remain the way it was.

At the same time, the unhappy incident has shown another trend on the international level which is more encouraging. It has shown the increasing economic interdependence, and this trend goes in a different direction than confrontation.

It is not the result of Reagan's new tactical notes that economic sanctions are not employed. It is because the United States cannot afford it, and because the Soviet Union, for its part, has turned out to be much more capable of compensating for boycotts than was previously assumed.

It may be feared that the West will resort to sanctions against cultural and scientific cooperation and cooperation in the area of sports. Any form of sanction which cuts off individual and cultural contacts between Westerners and Soviet citizens will benefit the forces within the Soviet Union which oppose changes in domestic as well as in foreign policy matters.

However, an action such as the request on the part of the International Federation of Airline Pilots Associations to boycott airline service to Moscow for 60 days is entirely acceptable. It is a selective manifestation, showing the disgust and fear caused by the shootdown among pilots. It may in no way be compared to boycotts of longer duration, which usually deepen rather than contribute to the solution of crises.

Country's Leading Paper on Ogarkov Statements

Copenhagen BERLINGSKE TIDENDE in Danish 10 Sep 83 p 8

[Editorial: "The Words of the Marshal"]

[Text] Nine days after the atrocity, the Soviet Union yesterday admitted what the entire world had condemned and still almost refused to believe:

Soviet fighters shot down the Korean aircraft with 269 people aboard off Sakhalin island, acting by order and in cold blood. Marshal Nikolai Ogarkov, chief of the General Staff of the Soviet Armed Forces, made no attempt at an apology, nor did he attempt to cover up the shooting down of the aircraft by means of such extenuating circumstances as having mistaken the passenger plane for a military aircraft. In presenting the official confirmation on the part of the Soviet government in Moscow, he adhered to the tall tale that the Korean airliner with its large number of passengers had been sent on a spy mission by the United States to Vladivostok, and that the shootdown, therefore, was entirely legal.

The government of the Soviet Union seems almost intent on making the worst possible of this tragic incident at all its different stages. The flagrant and gruesome attack on Flight 007 to Seoul was first suppressed, then misrepresented, and, then, step by step made into a solid expression of the politics of the Soviet Union. It can never be legal to shoot a civilian passenger plane into the sea on the basis of a suspicion, but we now have Marshal Ogarkov's words for it that his fighters did it according to an order and will do it again if the situation should re-occur. What his words are worth is a different matter. The statements made by the Soviet government on this matter have no credibility anymore. Only the Soviet leadership today knows whether it is true that the shootdown was deliberate and not the result of a mistake, or whether it is a question of a subsequent rationalization, turning an unfortunate action into a professed policy. However, the only decisive thing now is that the Soviet Union, without too much regret, takes the responsibility for the shooting down of an aircraft with 269 people aboard and states that it was a justified act. It was presumably the same standpoint expressed by Foreign Minister Andrei Gromyko in his talks with the U.S. secretary of state in Madrid, and it is no wonder that George Shultz found it horrible.

In the face of this petrification of Soviet politics, it is difficult to visualize what kind of political signal the rest of the world may send to Moscow with any hope of having it picked up. It is not very likely that the Soviet Union will accede to an amendment of the International Air Navigation Convention, which prohibits shooting at passenger planes in times of peace. Nor is it conceivable that the Soviet Union will contribute to an impartial investigation of the Sakhalin incident under the auspices of the UN secretary-general. What is left is the proposal to suspend for a couple of weeks West European air service to the Soviet Union, and that proposal has been so pitifully long on the way that it has almost lost its effect as a means of demonstration, even before its adoption. With their spontaneous reaction to the Soviet attack, the populations have been far ahead of their governments in this matter.

7-6a
CSC: 7/17/00

CP ORGAN CITES EFFORTS TO INCREASE INUIT CONTENT IN MEDIA

Copenhagen LAND OG FOLK in Danish 13-14 Aug 83 p 11

[Article by Anders Dohn: "Fight Over Media in Greenland"]

[Text] B.T. and EKSTRA BLADET compete in quadruplet births and infanticides side by side with JYLLANDS-POSTEN's more politically characterized stupidity. RAPPORT shows buttocks and breasts and crotches, while BILLEDBLADET still has most about the famous and royal. And we can BO BEDRE [live better] in SKØNNE HJEM [beautiful homes] full of MAD OG GÆSTER [food and guests] and HUS OG HAVE [house and garden] and MOTOR [motor vehicles] and HI-FI and LYSTSEJLERE [pleasure craft]. While Hans Hetler from his villa in Hellerup publishes the magazine GRØNLAND-DANSK for the most rabid colonialists. In this whole immense choice of thin journalism on thick paper the two "local" bilingual weeklies SERMITSIAK and ATUAGAGDLIUTIT/GRØNLANDSPOSTEN, which the Minister for Greenland recently even felt called upon to take into the schoolroom, almost drown.

And in the evening the television glares with American series and Danish programs from "Guess" and "Faces" to "Golf Championships" and "Reunion with Gunnar Nu." And again the few Greenland TV productions drown, while Grønlands Radio [Radio Greenland], which has broadcast since 1926, almost functions as a pleasant tailwind for this entire Western media inferno.

Challenge

Such--roughly--is the media coverage in Greenland today. That it gives a strongly distorted picture of Denmark as a land of milk and honey for royalists and perversities one as a Dane can, of course, be annoyed at, but the consequences are more serious for Greenland and the Greenlanders themselves. It is possible to live with the fact that the news is a little under a week late, but that the level is 10 years behind the people's political consciousness is an expression of the fact that colonialism has simply changed its form.

Herein lies yet a challenge which the Inuit (Eskimos) are in the process of taking up, in an attempt to rescue their language and lifestyle through the encounter with the modern information society. The Inuit Circumpolar Conference is thoroughly involved with the subject and the journal ARCTIC POLICY REVIEW describes the attempts which are being made today among the Inuit in

Alaska, Canada and Greenland to establish Inuit-produced TV programs. And here the Canadian Inuit Broadcasting Corporation (IBC) appears indeed to be the most promising to date.

But a development is under way in Greenland, too. Grønlands Radio is slowly beginning production of its own programs, while attempts are also being made at Greenlandic captions for Danish programs.

Pilot Project

Recently the town of Aasiaat has been pointed out by the Greenland home rule government as a test town for a large-scale drive for local media. The philosophy behind the project can perhaps be compared with the Danish attempts at local radio as a countermeasure against international satellite-carried dissemination of the media in the near future. Through programs of local interest the hope is to establish an alternative to the imminent multinationalization of culture and the world of information. And at the same time close contact with the media themselves and the mediating process can perhaps diminish the alarming authority of the TV stations as news media.

Aasiatt with its barely 3500 inhabitants is a well chosen place to begin the experiment. The local newspaper is quietly wasting away and the town has big social problems with unemployment of up to 25 percent of those active in occupations. On the other hand, Aasiaat has a brisk political life, with many active young people who, among other things, have distinguished themselves in preparations for the Aasivik rallies, and many performing artists and musicians. In addition, Aasiaat is the home of the Ulo record company, which moved its distribution there last year and which at the moment is in the process of building its own studio in the town.

Standing behind the experiment with local media is an extensively multifaceted initiative group of volunteers, whose leader is Anda Lynge. LAND OG FOLK visited him to hear about specific plans.

"We are starting around the first of October," Anda Lynge says, "and the plan is again to get our local weekly AASIAAT AAVISIAAT moving. At the same time we will begin to broadcast local radio every morning while Grønlands Radio is not broadcasting. Finally we are starting on production of TV programs, some of purely local content and others which we hope will be broadcast along the entire coast. We have divided the group in three--one for each medium--and they are also getting help from outside at the start. The radio team will be led by journalist Malinenguak Markussen and the TV group is getting Miki Siegstad as a leader."

Vandalism

[Question] The first time I heard about the project it was as a link in a larger vandalism campaign. How does this fit into your plans?

[Answer] "It is true that it is called a vandalism campaign in Danish, and we are in one for the present. The background is that such a campaign has

been waged in Esbjerg to combat vandalism there. The crime prevention council offered to send an educator to Aasiaat with 40,000 kroner to start a similar campaign here."

"Aasiaat was at this time heavily ravaged by vandalism, and it is obvious that we will loyally enter the campaign against vandalism in our various programs. But it is also obvious that we must give it an angle so that it does not develop into a pure scare campaign. We know from experience that there can be long calm periods without vandalism like the one we are experiencing now. Then we get a single case and the press enters with vivid descriptions and then the avalanche begins to roll. Then the mention has the directly opposite effect one wanted to achieve."

"Therefore, we want--to the extent that we occupy ourselves with vandalism--to place the focus on the reasons for the problem. In this way we hope to be able to get a debate going which can reduce the problem and we hope that the granting authorities--Danish as well as home rule--will have an understanding attitude toward this approach."

"Therefore we also want to make programs about everything possible other than vandalism: work, spare time, cultural programs; briefly, what other radio and TV programs deal with."

"In this connection we are hoping for close cooperation with the Ulo record company. We will play a great deal of their music and it is our hope that they will enter the production of music programs, live recordings, etc."

"In addition, we have gotten promises for support from many areas. From the home rule government and municipal administration, of course, but also the Greenland Technical Organization will assist. The work group itself includes, among others, Pavia Lange, who is the leader of the town's youth unemployment project, and Aron Sørensen from the municipality's social services department. In addition, KGH, the Royal Greenland Trade Board, has promised to help us."

Help

At this point in the conversation the town's town manager came in with an example of the royal trade monopoly's helpfulness. KGH is offering completely free of charge to make the old town treasurer's office available for the project. This is a fine old building which for a long time has been on the top of the initiative group's wish list. It has been made a sort of center for the campaign. Only windows, water and heat are lacking, but as KGH writes, if the town itself will be in charge of the necessary installations they can then have the building at their disposal free of charge--in three months.

The town manager and Anda Lynge make a quick calculation and reach an exorbitant sum for the most necessary repairs. They quickly agree that the campaign must be desisted from in order to accept KGH's generous offer.

Break-In

Instead, the town manager suggests that a closed-down dressmaking shop on Rypevej can in any case house the radio station. We go out together to see the house, but unfortunately the manager has taken the wrong keys along. A little window is half open at a somewhat moderate height, and as the absolutely thinnest in the party your special correspondent receives permission to gain access to the future center for vandalism campaigns by this route. It is successful--I land in the privy--and a little later I am able to let in the town manager and campaign leader in a more appropriate manner.

And so here is the house, three good little rooms which are to function as a studio and transmitting station for Aasiaat local radio as well as a printing shop for the local weekly.

When we carefully lock up after us, I get to ask Anda Lynge what will happen when the test period is over by January.

"We actually do not know," he answers, "it will depend on our results in the three months the test is under way. But we hope, of course, to be able to continue in the future, too. In any case we sorely need our own independent media here in the country. Operated by our own people, in our own language, and regarding our own lives."

8985

CSO: 3613/185

COMMENTARY ON NATION'S RELATIONS WITH EEC

Rome LA REPUBBLICA in Italian 20, 21-22 Aug 83

[20 Aug 83 p 8]

[Article by Antonio Giolitti: "Europe Is Ill (I)"]

[Text] The chairman of the council has told the parliament that the European Community represents "the heart of Italy's relations." It will be necessary to proceed to a preliminary diagnosis of the state of health of that heart and then to see how Italy can contribute to strengthening it (but first of all to saving it from the infarctions that threaten it) and how the country can receive its vital impulses at the same time.

The crisis of the Community is now under universal scrutiny. It is seen with the naked eye, because it is, in the first place, an image crisis, so to speak. Public opinion sees, for the most part, on the face of the Community a gruff expression, that of an authority with technocratic features that imposes ties, demands sacrifices, gives lessons and, on occasion, even punishments. The most visible role of the Community is that of dealing with the crisis. But such a distortion of the image stems as well from the myopia of the observer. Sight has been lost of the contribution made by the Common Market to the years of prosperity, no attention is paid to the objective of a Community capable of enabling western Europe to play its part in the world. And besides, it is so easy for the governments to divert the discontent of the electorate and point to the Community: there is where the blame lies if steelworks have to be shut down, if the prices of agricultural products offer scant remuneration, if efforts to check the rise of the dollar are ineffective, and so on. Instead of asking how the Community can be strengthened to enable it to deal with problems which are now unsolvable on the national level, it is inquired whether it is expedient to remain in the Community and for whom. Everywhere the tendency prevails not to concentrate on developing it to the point at which it can deal with the economic crisis, but rather to relax the ties it imposes, to minimize the responsibilities, real or presumed, which derive from membership in the Community, rather than to maximize the benefits involved.

First off, if Italy really attributes that "heart" function to the EEC, she has an interest in quashing this unhappy tendency. The crisis of the

Community is now explicitly on the agenda of the Community institutions, all of which, council, parliament, committee, have the obligation, each in its own way, to debate on a package of studies and proposals dealing simultaneously with institutional problems, problems concerning the budget, "Community resources," control of expenditures, the reform of existing policies and the development of new ones. This close study of the crisis should produce, possibly at the European Council to be held in Athens next December, the choice and the obligation to relaunch, or, conversely, to give new dimensions to the EEC.

What choice does the Italian government intend to make beyond the ritualistic expression of faith in Europe? How does it plan to act? Toward what objectives, in what role, with what resources? It is appropriate to expect some answer to such questions at the moment when the new government is beginning to function and perhaps a new phase of Italian policy is being entered upon.

Until now, the objectives most visibly pursued by Italy in the EEC, or, in less pleasant terms, the benefits that Italy has attempted to extract from it, can be grouped together in the following list of aims of a general nature:

- (1) To gain an international status as "a minor nation among the major ones" and so to be in a position to claim the right to participate in all the summits at the highest level.
- (2) To achieve a "national solidarity," at least tacit if not explicit, with respect to the choice of the western or Atlantic camp, by virtue of a Europeanism capable of forestalling the accusation of favoring the United States and of counteracting neutralist temptations.
- (3) To establish a restraint of an international nature that cannot be violated by any attempt or temptation to subvert or corrupt the system based on the market economy, inasmuch as the Italian market is an integral part of the Common Market.
- (4) To receive stimulus from abroad to the updating of the market economy and therefore to efficiency in production and administration.
- (5) To obtain from its partners in the Community a pledge of financial support in the effort to achieve the convergence and integration of the Italian economy, which is still feeble, into the more robust European Common Market.

The first of these objectives can be regarded as achieved, at least in form. In substance, the way in which the resulting role of Italy is played depends on its practical ability to make proposals and to fulfill obligations. In the diplomatic sphere, so to speak, that status has been formally achieved (even though our minister of foreign affairs has from time to time found it necessary to call the fact to mind and to make it count); in the political sphere, everyone has the importance he can earn or win over.

The second objective has been translated into a constant line of tendencies that can be definitely regarded as successful in spite of residual communist ambiguities that cannot, however, be ignored.

The third constitutes a guarantee now superfluous, since the nonexistence of acceptable and feasible alternatives to the system has been demonstrated; however, what remains to be demonstrated (and this is the challenge to which the reformist philosophy attempts to respond) is, as Keynes pointed out, the ability to free initiative to solve the problem of structural unemployment.

The questions raised with respect to the fourth and fifth objective must be examined together.

The stimulus to achieve efficiency has made itself felt in the production apparatus with results that differ radically from one another and are therefore unbalanced and create an imbalance in the various sectors, and at times have perverse effects (an "underground" economy, that is, a search for efficiency and expansion by extremely precarious means, too much in the Italian manner and too little in the European). Nevertheless, the effects on the whole can be regarded as positive. Such is not the case of the administrative apparatus, which is absolutely insensitive and impermeable to that stimulus, with consequences that are bad not only from the standpoint of efficiency, but also for the country's economy and for the level and the quality of its participation in Community policy.

Administrative inefficiency has led to a search in the negotiation on the political level for some purely financial benefit and the relinquishing of the exercise of influence on the way in which Community policies are formulated and organized. Instead of looking for support in the EEC for the country's development and for the effort to achieve harmonious action, the search has been directed toward financial rewards and postponements of the harmonization process to make up for the deficiencies of the administration. In this way the political guidance deriving from the relationship with the Community was relinquished and negotiation toward those ends was entrusted to diplomacy. It is recognized that the latter served meritoriously in negotiating according to those instructions with perseverance and tenacity and that it achieved appreciable financial results. It required some time, for it was necessary that the administration at least be placed in a position to collect the financial aids provided by the Community, but for some years now the balance of the financial flow with the Community has been conspicuously on the asset side for Italy. How long will this privileged status be permitted by the states which are the net payers?

The problem has now been posed explicitly. The crisis reduces the margins of tolerance and availability to some occasional support: every man for himself and, at the very worst, the devil take the hindmost.

The balanced structure on which the Italian position in the EEC has been erected up to now no longer holds it up. Whether the next stage in the evolution (or involution) of the Community is reductive or expansive, it is certain that it will develop in the direction of strictness and efficiency,

not of laxity and support. At this point the negotiation process becomes intensely political, not diplomatic, and demands political efficiency of the government, on which, on the other hand, administrative efficiency definitely depends and the latter, let us not forget, is only one aspect of a nation's degree of governability, precisely as has been demonstrated, on the negative side, in the case of Italy.

The time has come to examine Italy's problem in the Community from scratch.

[21-22 Aug 83 p 8]

[Article by Antonio Giolitti: "Shall We Be Able to Remain a Part of Europe, II"]

[Text] The way in which the Italian problem has to date been posed and accepted or tolerated in the Community can no longer endure. Its time has run out. Italy's inclusion in the category of "the less prosperous" nations could serve as long as the prosperity of the others was such that they were induced to lend generous support and, above all, as long as they could be led to believe that the financial and normative concessions obtained in this way were being utilized to bring about the famous economic convergence. But when a country has reaped a considerable financial benefit and at the same time has accentuated its divergences, there is no room left on that ground. Italy must change her tune. She must put herself on the level of the overall negotiation process now being initiated on the basis of the two reports presented to the council by the committee on agricultural policy and structural funds (two subjects vital to Italy) and some proposals regarding the increase in the Community's budget resources.

We cannot show up with the yellow passport indicating our status as a "less prosperous" country. Nor would it be politically wise if we wish to preserve that status as a minor nation among the major ones. Inclusion in the "less prosperous" category may still serve today for Ireland and Greece and possibly tomorrow for Portugal. For Italy, it would mean relegation to a place on the political sidelines. For this reason, reduction of the divergence is a preliminary and indispensable requisite, beginning with the rate of inflation and the level of the public deficit. The government seems to be perfectly aware of this. It must suffer the consequences that derive from the way in which the Italian problem is put before the Community.

On the very ground of agricultural policy and structural funds, the Italian position has become dangerously vulnerable. The move toward greater strictness in Community expenditures will bring with it a tighter and more controlled relationship between the distribution of funds and efficiency in the implementation of the objectives for which they are intended. A clear example is the proposal no longer to distribute regional assistance to finance individual projects, but rather to put into operation programs the coherence and effectiveness of which have been established in advance. Similarly, a demonstration of efficiency (over and above a proof of propriety and the ability to exercise control) will have to be provided in connection with

Community participation in certain agricultural sectors that are important to us, but quite subject to the demands for strictness (for example, olive oil and tomatoes).

It is necessary to adopt a new approach, one that is less diplomatic and more political, less defensive and more positive and aggressive, to the problems and the negotiation process. It is no longer a question of focusing on the effects of redistribution in terms of monetary allotments, but rather of exerting influence on the conception and methods of implementation of Community policies, old and new, a question of our (yes, our) demanding strictness and efficiency and hence coordination and control even with respect to the balance between Community and national participation. This is very important: laxity in the matter of assistance to nations, as also in the matter of protectionist participation, is of benefit to the "prosperous" countries; Italy, instead of requesting exemptions and committing infractions with respect to the rules of competition, is interested in an effective control of participation in which countries endowed with more abundant resources and greater administrative efficiency can be open-handed.

A new approach of this sort demands an ability to make a creative and active contribution to the reform of existing policies (in particular, those having to do with agriculture and the individual regions) and to the introduction of the new policies, in particular those concerned with industry, energy and technological innovation. It is therefore necessary to be equipped with precise principles of judgment, of evaluation, of well thought out and definite goals to be pursued and possibly with experiences on the national level in order to avoid being found wanting and disorganized at the negotiating table. For this reason as well the agricultural policy, the policy for the South and the industrial policy should have a place of honor among the obligations of the government.

Once such a position has been taken, the standard of the "differentiation" in the methods of implementation and eventually in the extent of participation in Community policies can be made to have validity, not as a sly trick whereby to have fewer obligations and more assistance, but rather as a search for adaptability and flexibility for the purpose of efficiency. Adaptability and flexibility can, or rather, must involve the consideration of regional diversity: and this makes perfectly legitimate and timely the request on the part of Italy for a "priority guarantee" for the South in the reform of the agricultural policies and the structural policy.

In substance, it is not a question of finding recognition of and some agreement or other on the Italian problems in the Community, but rather one of facing, on the Community level, those problems which cannot be solved on the national level, elsewhere as well as in Italy. And this is true not only for motives of efficiency, economies in the cost-of-living index, cooperative entities etc., but for a more basic reason which provides the most convincing argument for the strengthening of the institutional system.

It is increasingly difficult for national governments to gain recognition and prevalence for the general interest with respect to sectoral and corporate

pressures. To arbitrate among these pressures and to satisfy that general interest represents a choice that is increasingly difficult and uncertain and unsure, especially in coalition governments, between the invisible hand of the market and public participation. And the methods and limits of public participation (including the question of indebtedness) are always precarious matters, because they are subject to the variability of opinions with respect to the interests that are adversely affected or favored, and this is translated into an instability of political aims. From this derives an additional and most influential factor of uncertainty, especially in connection with decisions on company investments. On the national level, it is almost impossible to attenuate this uncertainty, because the ~~recess~~ of mass democracy brings with it fluctuating choices of political forces. It is somewhat like currency exchanges: a power of decision and discipline on the international level is necessary to ensure that the rates of exchange will fluctuate less or will remain absolutely fixed.

The democracy of the Community fluctuates, so to speak, to a lesser extent. The variability of convergences and divergences between social forces and political forces, which is translated into the instability of the governments and the direction of their aims (it is the famous problem of governability, which has enjoyed great fortune in Italy in the realm of oratory, but very little in that of performance, and this too has an affect on efficiency), is not to be found with the same degree of intensity in the institutions of the Community. On the contrary, it is possible that, when compared with the committee and the European Parliament, there is a current concern about the excess of stability and that is a capacity insufficient to provide timely representation of the variations of opinions.

It is true, the flow of democracy in the Community passes through intermediaries and filters which attenuate its intensity with respect to the methods whereby and the times at which it runs off at the national level. But this apparent "technocratic" shortcoming can become a virtue if one recognizes the need to transfer to the Community level, even because of a demand for stability, the powers of decision on the fundamental aims in the matter of international economic, financial and monetary relations (with regard, for example, to the relationship between European currencies and the dollar, which would not be so dramatic if the Community had had more authority in this area), on the operation of the Common Market, on common policies, and above all, on the limits and standards for public participation with respect to the market economy.

It is obviously a question of a basic political choice from which then must derive coherently the positive desire to strengthen the institutions of the Community and their capacity for decision and execution (and this includes the financial capacity). The Italian government seemed to lean, at least implicitly, toward such a choice when its minister of foreign affairs had put his signature at the foot of the page containing an "act" (which was then watered down to a great extent) which indicates the level of the European union. The moment has come to act with coherence and tenacity in order that the "heart of Italian relations," saved from the infarctions that threaten it, may be able to give life to a vital and robust organism.

BOURGEOIS PARTIES' VOTERS SATISFIED WITH COALITION

Oslo AFTENPOSTEN in Norwegian 13 Aug 83 p 3

[Article: "Bourgeois Party Voters Satisfied with Three Party Coalition Government"]

[Text] The three coalition partners' voters are satisfied that a coalition government was formed. The other parties' voters are largely dissatisfied that a majority government replaced a minority government.

These are the conclusions of the Gallup poll of the week by Norway Marketing Data. 1400 women and men were asked among other things the following question:

"Recently the Christian People's party and the Center party joined the Conservative party in the government. Are you pleased or displeased that the previous Conservative minority government has now been changed into a majority government by the three parties?"

In the table below there are the various responses arranged also by the respondent's party preference.

	<u>Total</u>	<u>A</u>	<u>SV</u>	<u>H</u>	<u>KrF</u>	<u>S</u>	<u>V</u>	<u>Frp</u>
Very pleased	10	5	1	18	20	26	6	9
Rather pleased	24	14	13	40	39	37	28	12
Doesn't matter	38	45	52	24	23	24	34	36
Rather displeased	12	17	16	5	2	5	15	25
Don't know	1	1	3	1	0	0	0	0
Total percent	100	100	100	100	100	100	100	100

Among those who would vote for the Conservatives, Christian People's party, or Center about 60 percent are satisfied while less than 20 percent of them are displeased by the expansion of the government. About a quarter of them reply that it does not matter.

In the survey there was also the following question: "At the time of the expansion of the government the first Willoch government had been in power for about one and a half years. How satisfied or dissatisfied were you with the first Willoch government?"

	<u>Total</u>	<u>A</u>	<u>SV</u>	<u>H</u>	<u>KrF</u>	<u>S</u>	<u>V</u>	<u>FrP</u>
Very satisfied	12	1	1	37	12	5	2	4
Rather satisfied	26	10	7	45	45	37	20	47
Neither/nor	27	28	19	14	29	39	26	26
Rather dissatisfied	20	33	32	2	11	16	33	9
Very dissatisfied	14	27	40	1	1	3	19	12
Don't know	1	1	1	1	2	0	0	2
Total percent	100	100	100	100	100	100	100	100

[A = Labor, SV = Left Socialists, H = Conservatives, KrF = Christian People's, S = Center, V = Liberals, FrP = Progress]

38 percent of all those asked were satisfied while almost as many, 34 percent, were dissatisfied. But as reflected in the above table, there are large variations depending upon which party one would vote for.

When the responses from the first question are cross-tabulated against the responses to the second question, there appears the pattern that the more pleased one is with the Willoch government, the more pleased one generally is with the expansion. Among those who were very satisfied with the first Willoch government, 67 percent are, for example, pleased with the expansion, while only 16 percent of them are dissatisfied. Among those who were very dissatisfied with the first government, only 12 percent of them are pleased with the expansion, and 56 percent are displeased.

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POSSIBLE 1985 PRESIDENTIAL CANDIDATES, ISSUES DISCUSSED

Freitas do Amaral

Lisbon O TEMPO in Portuguese 25 Aug 83 p 4

[Text] According to information from a reliable source, Prof Freitas do Amaral will run as a candidate for the presidency of the republic in the 1985 elections, and will thus assume leadership of the Portuguese right wing. Circles close to the holder of a professorial chair and former president of the CDS [Social Democratic Center Party] state that the inadequate results achieved by that party in the last legislative elections advise against the official candidacy of Prof Freitas do Amaral for that party. Therefore he will run for election as an independent candidate, seeking to win the votes of the CDS, practically guaranteed, as well as the PSD [Social Democratic Party] and the whole of the right wing.

According to information we have, Prof Freitas do Amaral will let it be known next October that he intends to run, and will announce his candidacy officially in December. His strategists believe that by that date, the social situation will have deteriorated and the country will need a leader to rally the right wing, as an alternative to the social democratic government which has been in power as a result of the PS [Socialist Party]-PSD coalition.

Research by O TEMPO indicates that personalities who have distinguished themselves by consistent political action might formally support Freitas do Amaral. We are speaking of persons on the staff of A TARDE and the future weekly which Vitor de Cunha Rego will edit, the bylaws of which were published last Friday in a morning newspaper in the capital. Freitas do Amaral would thus have his objective support.

The individuals studying the candidacy of Freitas do Amaral believe that he might be doomed to lose the presidential election if Dr Mario Soares were to run, but they also think that at that point, and even if he were defeated, the right wing would have a prestigious leader, which it does not currently. It is the conviction of a number of observers that the PSD will also offer a candidate, but that he will withdraw on the second round in favor of Mario Soares. It is possible that the current president of the republic will also put forth his own military candidate. Observers believe, however, that the leading candidate for the moment is Dr Mario Soares, and that the PSD would support him, provided that the PSD would subsequently get the post of prime minister, which would be filled by Prof Mota Pinto. It is certain that if

the PSD were to decide to nominate a candidate, he would not be Prof Mota Pinto, but more probably Dr Ribeiro de Almeida. In short, Mota Pinto will never be a candidate for the presidency of the republic.

What seems certain is that there are already two candidates for the post General Eanes holds at the moment: one is Dr Mario Soares, as the social democratic candidate, and the other is Prof Freitas do Amaral, as the candidate of the Christian democrats, that is to say the Portuguese right wing which is emerging from the conflict which ensued after the 25 April 1974 revolution.

In this series of data it is also necessary to consider the possibility that the Pinto Balsemao group within the PSD will make a decision concerning Mota Pinto and want to nominate Dr Mota Amaral as a candidate for the Belem post. Even in such an event, however, the two major candidates would be Mario Soares, for the social democrats, and Freitas do Amaral, for the democratic right wing.

Freitas Postpones Decision

Lisbon DIARIO DE NOTICIAS in Portuguese 27 Aug 83 p 1

[Text] Prof Freitas do Amaral, former leader of the CDS, stated to DIARIO DE NOTICIAS, in connection with the reports stating that he is certain to run for the Belem post in the 1985 presidential election, that in the best of cases, he will make no decision "either positive or negative" before the end of the year.

The candidacy of Freitas do Amaral for the presidency of the republic is a possibility which dates back to the days of the Democratic Alliance (AD), although the recent Antonio Capucho interview in the periodical ABC ("There is only a tiny risk that Soares will not be elected," the secretary general of the PSD emphasized specifically) has made him more desirable to the sectors which support him.

Speculation Concerning Mota Pinto Premature

Lisbon DIARIO DE NOTICIAS in Portuguese 3 Sep 83 p 1

[Excerpt] Mota Pinto commented yesterday that concerning the presidential election, "any position adopted more than 2 years in advance is premature." "I have learned that there is a time for each concern, and it is not yet time for this one," Mota Pinto told the NP agency, adding that "at the proper time, the pertinent organs of the PSD will deal with the matter and decide, always bearing the national interests and the autonomy, specificity and personality of the Social Democratic Party in mind."

Mota Pinto then stated: "I refuse to nurture the orchestrated speculations on this subject which are under way to divert attention and our focused efforts from the priority task of the present moment: governing humbly, calmly and even with sacrifice, for the good of democracy and the country."

Almeida e Costa

Lisbon O TEMPO in Portuguese 25 Aug 83 p 10

[Article by Hendel de Oliveira]

[Excerpts] "The presidency of the republic does not comment on newspaper speculation." This was the response obtained from Belem by O TEMPO concerning the possibility, reported in some newspapers, that the present governor of Macao, Rear Admiral Almeida e Costa, might run as the "Eanes candidate in the 1985 presidential election." These reports also put forth the hypothesis that Almeida e Costa might be replaced in the gubernatorial post by Gen Gracia dos Santos, whose removal as army chief of staff (CEME) was recommended by the cabinet, although to date the president of the republic has taken no action on it. Concerning the possible "ultimatum" which it is said the cabinet will submit to President Eanes demanding that he order this dismissal of the CEME, the Belem response to O TEMPO was again that "the presidency of the republic does not comment on newspaper speculation."

The possibility that Almeida e Costa might be a candidate was first suggested in last Monday's edition of O COMERCIO DO PORTO. The purpose of the report is for the time being clouded. In fact, the possibility that Almeida e Costa might run as a candidate in the presidential election is one which has been considered for some time, and it is neither a surprise nor a shock to the least attentive political observer. What is surprising is the way in which it appeared, and there are even those who believe that the short-term objective is mainly to cause personal conflict among those involved in the matter --Garcia dos Santos, Almeida e Costa, Mario Soares and Ramalho Eanes.

The appointment of Garcia dos Santos as governor of Macao would, for its part, be a graceful resolution to this CEME imbroglio. It will be recalled in this connection that Almeida e Costa, a former member of the Council of the Revolution and minister of internal administration, succeeded Gen Melo Egidio, who is now armed forces chief of staff (CEMGFA), in the gubernatorial post on 16 June 1981.

As happened with the ministers of state for the autonomous Azores and Madeira regions, the appointment of the governor of Macao, even after the constitutional revision, continued to depend in the final analysis on the president of the republic. And it is a fact that the individuals who have held these posts have invariably been described as having the fullest confidence of the president of the republic. If Garcia dos Santos were indeed to go to Macao, this would represent the continuation of a line of action.

The fact is, however, that the announcement of the possibility that Almeida e Costa will leave Macao has already begun to cause profound disturbance in that territory. The communities of both Chinese and European origin immediately began to show evidence of concern about the possible removal of Almeida e Costa, and also, a lag was immediately seen and continues to be seen in the transactions which have been carried out in Macao for some time on a large scale.

Sources close to the governor in Macao, with whom O TEMPO talked by telephone yesterday, refused to make any statements on the reports concerning Almeida e Costa, saying only that "the governor's term coincides, or did, with that of the president of the republic." All of the scenarios recently suggested where Almeida e Costa is concerned thus remain open.

Capucho Statement Challenged

Lisbon DIARIO DE NOTICIAS in Portuguese 28 Aug 83 p 9

[Editorial by Vasco Pulido Valente: "The Other Sides"]

[Text] 1. Last week, Antonio Capucho stated that there was a "tiny risk" (risk is underlined) that Mario Soares will not be elected president of the republic in 1985.

Antonio Capucho has the supreme advantage over his contemporaries, both enemies and friends, of dealing with the regime with complete political, ideological and emotional unconcern. As if it were a question of selling beets or cement, his only goal is to reach the end of the day with greater power than that with which he began. Other considerations do not seem to come into his calculations. He belongs to a new race of government administrators which the decline of democratic regimes usually produces. One senses in him a cold contempt for the intellectuals, orators, plotters and other low species with which he is surrounded. Therefore, he uses them with professional competence, without involving himself in their intrigues or their delirium.

Distance allows him to see what almost no one else sees. In this now sizzling summer of 1983, there are two crucial things. First, that the weakness of the PSD will not allow it, under any circumstances, to nominate its own candidate for the presidency of the republic. Secondly, under no circumstances can the parties in the former AD succeed in reaching agreement to nominate a joint candidate.

The consequences of these two postulates, certainties as far as I am concerned, are obviously devastating. Let us examine them.

2. In order to nominate its own candidate, the PSD would in principle need a personality with national prestige capable of rallying the party around him and winning votes from outside it. No such personality exists. There is no point in speaking of Balsemao, nor of his ambitious shadow, Joao Salgueiro, who on the pretext of good instincts is painfully climbing the ladder to the top. Mainly responsible for the AD disaster, they do not, outside their small circle, inspire confidence. As to Mota Pinto, deputy prime minister under Soares, he will pay at least what Soares does in unpopularity until 1985. Moreover, for the left wing, he will never be more than the national agent of Soares Carneiro, and for the right wing, the man of the central bloc. Wherever he may go, he has no future.

There is also the remote possibility of the "neutral" candidacy of Mota Amaral or a military officer. Only this operation would require prior unity

of the party. Now as Capucho well knows, the party is hopelessly divided, both leaders and voters, between those with nostalgia for the Democratic Alliance and the central bloc enthusiasts. This division will tend to become more acute. In legislative elections, the factional spirit might perhaps be attenuated, as happened in April. The choice of a president will inevitably lead to a definitive break. It is impossible for the PSD, as a partner of the PS, to vote for Mota Amaral or a military officer sympathetic to the right wing, just as it is impossible for the PSD of 1979-1980, which is still alive, to vote for Soares.

Add to this the fact that switching and reswitching sides does not benefit the PSD as an institution. A swing from the AD to the PS and from the PS to the AD, in 2 short years, would leave it shattered. As the agreement with the CDS was in 1979, the agreement with the PS is based on the stipulation, changed today but real, of a joint candidate in 1985. Without this, nothing would make sense.

3. Therefore Capucho wants the AD buried, and buried well. He also wants to avoid discussion on the presidential issue, in order to avoid weakening the discipline of the party and the stability of the government. At the correct moment, he will decide between directly supporting Soares or, if necessary to save the honor of the house, sponsoring a symbolic candidate, whose votes would revert to Soares on the second round. I do not believe, however, that he is speculating on the matter. Good negotiators, and he is a superlative one, concern themselves solely with what will immediately improve or deteriorate their positions. Capucho has learned that, in politics, power always improves all positions.

His power as a minister increases his power as secretary general. The participation of the PSD in the government contributed to its cohesion. Far removed from power, the PSD would lapse into civil war. In power, the bulk of the PSD, although obviously not everyone, would be resigned to obedience, even if the price were subordination to the PS. Power is power. Above all, there is little haste. This is language which Soares can understand.

4. Against this, is there any possibility of reviving the Democratic Alliance again, through a presidential candidacy? Like Capucho, I do not think there is, and like him, I do not desire it. For reasons which I consider serious.

To begin with, a presidential candidacy sponsored by the old AD parties would come up against the insuperable difficulty of selecting a candidate. The PSD would not accept a candidate, civilian or military, linked with the CDS, nor would the CDS accept a candidate, whether civilian or military, linked with the PSD. And both parties would refuse, with equal vehemence, to submit themselves to an arbiter who could dictate to them.

Postulating the absurd hypothesis that this obstacle were removed, the reestablishment of the AD in 1985 would not be a true restoration. The thousand and one factions in the PSD and the CDS would continue to agitate and fight among themselves. It would be joined in fright by the heterogeneous

and mediocre political personnel milling about there on the extreme right-wing roster and in vague party apparatus commissions. The purist fascists would run to it (this is their privilege), along with the idiotic liberals and perpetual conspirators. With such ingredients, what would be created there would not be the AD of 1979, but a deplorable caricature of it.

5. One name, which has not been mentioned, could justify the hypothesis of an AD candidacy in 1985: Diogo Freitas do Amaral. The fact is that the prerequisite for his success is total rejection of the past, however glorious, and appearing with different people, with a different program, with a different image. In a word, launching a new history. What has survived of the AD does not help Freitas do Amaral, but weighs upon him and paralyzes him.

6. All of the preceding is based on a simple established fact: the benevolence extended to Balsemao after the August 1981 crisis led the country into its catastrophic present situation. It liquidated the AD, eventually destroyed the PSD as an independent force, reduced the CDS to 12 percent, shattered the right wing and forced it into a futile guerrilla war for survival. Such errors have a high price and take years to correct.

The accomplices and agents in power, from the wretched national bourgeoisie to its politicians, should not complain. They have supported two "Marcelisms" in 2 years. The account is in their favor and will be more so in the future.

7. Allow me to recall, with a certain lack of modesty, that like Carlos de Macedo, I gave a warning, and did so in time. I do not have sympathy for the existing distress. There are other worlds on this earth.

Possibilities Reviewed

Lisbon EXPRESSO in Portuguese 27 Aug 83 p 2

[Excerpt] Antonio Capucho--The PSD Strongman

With regard to the 1985 presidential election, the interview Antonio Capucho gave to the periodical ABC last weekend introduced a new element. In fact, the secretary general of the PSD made it clear there that his party, in the first or second electoral round, would inevitably have to support the socialist leader. Despite the fact that the party leadership has not yet come out publicly on the matter, Capucho's position is beyond a doubt important, and it cannot in any way be regarded as hasty or naive.

This social democratic leader, as the official in charge of the apparatus, and above all in view of the indecisive and hardly positive attitudes of Mota Pinto, is increasingly emerging as the strong man of the PSD. And his statements can only be interpreted as having two goals in view, which in the end serve as two warnings to the deputy prime minister. On the one hand, he intends to put an end to any inclination on the part of the party and its leader to sponsor a military candidate as a possible competitor with Soares and the central bloc (a solution toward which Mota Pinto has indicated considerable sympathy), while on the other, taking the rapprochement which can

be seen among elements in the Balsemao-Mota Amaral-Salgueiro group and the present social democratic leader, he wants to make it clear that if this rapprochement does not exclude the former prime minister, it will have to deal with the opposition of the secretary general of the PSD (who is seen there as the strongest man in the party. And, in fact, who in the political commission would now dare to put forth such concrete personal opinions on an issue as important as the presidential election?) There are some purely personal reasons involved here.

It is no accident that the socialist ministers themselves do not hesitate to classify Antonio Capucho as the most Soarist element in the present cabinet. And Capucho knows that, whoever the alternative candidate to Mario Soares might be in the race for the Belem post, it would in the end represent an alternative to the central bloc too.

Soares Without the Central Bloc

Curiously, a line is emerging in the PS which believes that a victory by Soares in 1985 might come about precisely through a split in the central bloc. According to this group of thinkers, said to be headed by Almeida Santos, if the time comes when a political context has developed such as to prevent the emergence of a competitor for Soares with a possibility of winning, the PSD would become useless. In effect, the PS might get the posts of president of the republic and prime minister, embarking upon a dynamics of victory unaffected by its current partner in the coalition.

Mario Soares, however, would prefer the certainty of the PS-PSD alliance. It remains to be seen what his reaction to the context mentioned above would be.

Moreover, following Antonio Capucho's interview, the presidential candidacy issue came to the fore again. And there was a focus on two names in particular: Freitas do Amaral and Almeida e Costa.

The Almeida e Costa possibility was put forth somewhat unexpectedly in Sunday's CORREIO DA MANHA, and it was taken up again on Tuesday by O DIABO and DIARIO DE LISBOA. It does not however seem to have any substance, beyond the rumors which were fostered (by Marcelo Rebelo de Sousa, in the view of some people). The statements made by a Belem spokesman to O TEMPO in this connection are in themselves enlightening. After all, it was all a matter of eliminating a possibility which was quite remote, rather than very likely.

Right-Wing Leader Freitas do Amaral

With regard to Freitas do Amaral, everything is different. No one doubts that the former CDS leader has little likelihood of beating Soares in 1985. However, in the view of some opponents of the central bloc (Marcelo Rebelo de Sousa, the Lisbon district of the PSD, and others), it will be he in the future around whom the project offering an alternative to the PS-PSD alliance will rally. And under certain conditions, his candidacy in 1985, even if he is doomed to defeat, could serve the useful purpose of immediately offering a leader for the alternative to a central bloc, which, in the view of these

circles, will begin to break apart as of that time. From this point of view, all of the groundwork would be laid for a triumph in 1990 (or even in earlier legislative elections).

However, according to other opponents of the central bloc--this is true of the present centrist leadership--it is still possible to find a candidate with a possibility of defeating Soares in 1985. Such a candidate would have to have a profile much like that of Eanes, rallying around him the most diverse political sectors, and he would have to have the support of the current president of the republic. But the leaders of the CDS themselves are the first to admit that it is still too soon to suggest specific individuals.

In reality, everyone seems to believe that those names suggested prematurely will fade away. And in fact, as we have seen, contrary to the reports current this week, Freitas do Amaral is a long way from having made any decision in relation to this matter.

And while this is happening, the PS and the PSD will proceed to resolve their internal problems.

The most important event among the socialists this week was the meeting of the members of the former secretariat in Algarve to decide on the criteria for the drafting of single slates at the coming congress. In the PSD, yesterday's meeting of the political commission (see p 1) represented the beginning of preparations for the congress in February.

Campaign Under Way

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Sep 83 p 2

[Editorial: "Speculation"]

[Text] Two years prior to the presidential election, the placing of bets on the race for the Belem post has already begun. And the first to wager heavily was, as is known, Antonio Capucho, with his fearless and now famous statement that there would be "minimal risk" that Mario Soares would not win the presidency.

Now since Capucho, in addition to being a cabinet minister, is one of the most reliable voices in the PSD, independent (and in the process) of all the vicissitudes and crises it has experienced, the conclusion immediately drawn from these words was that, if the current central bloc remains cohesive until 1985, it would be the consensus of the two parties in 1983 to support the secretary general of the PS, at the proper time, in his possible candidacy.

Or, in other words, that when all is said and done, Soares would be the de facto candidate, both of the socialists and the social democrats, although at that time the latter (noblesse oblige) would put forth a symbolic candidate to be sacrificed on the first round.

In the final analysis, it seems that Antonio Capucho, who is normally a politician who is cautious in his statements and reflective in his judgments,

weighing each statement he makes almost always--if not in fact always--in terms of party considerations instead of purely personal concerns, has not been careful in this way this time.

This is what must be deduced from the statement Mota Pinto has just made about this polemic subject, terming all of the statements put forth in the meantime concerning probable or certain candidates "premature" and "speculative."

With the authority he enjoys thanks to his position as the leader of the social democrats, the least one must conclude from his statement is that it is intended, when all is said and done, to alert the secretary general of his party, but that this does not mean that it is not also a veiled warning both to the party and to his colleagues.

It seems, then, that Mario Soares cannot and should not be so certain of this majority support which Capucho's "minimal risk" would lead him to assume. And that on account of this or that, he should rely above all on his own party, to the extent that it will not be very likely that he will ever come to be the "candidate of the left," taking this to mean a candidate who also rallies the votes of the communists.

In making his statement, Mota Pinto very clearly emphasized his refusal to nurture any "orchestrated" speculation. Who is orchestrating what orchestra? The PS? Or a certain faction of the PSD itself, without any reference to the thinking of its president? One is justified in wondering.

Whatever the case, with or without speculation, premature or tardy, the fact is that the race for the Belem post has already begun, even if only in terms of assessing the strength of the possible runners.

5157

CSO: 3542/213

FROBISCHER BAY RCAF COMMANDER: SOVIET SUBS USE DAVIS STRAITS

Godthaab GRONLANDSPOSTEN in Danish 10 Aug 83 p 9

[Text] Foreign submarines are sighted from time to time, even on the other side of the Davis Strait, a Canadian air force officer told GRONLANDSPOSTEN.

Captain Stevensen, who is Frobisher Bay commander for the Royal Canadian Air Force, said that "interesting observations" were made from time to time near Baffin Island and elsewhere in northern Canadian waters.

"We receive reports from time to time that the native population has seen something that must be a submarine," he said. "But it is never possible to confirm their observations, since we cannot get a plane up there before the submarine has disappeared again."

Canada has several so-called Aurora planes, which are specially equipped to track submarines. GRONLANDSPOSTEN learned that equipment is used that is capable of sensing the warm cooling water from the reactor.

24-Hour Watch

The Aurora planes conduct around-the-clock surveillance in a large sea area off the coast of Canada, according to information from the air base in Greenwood, Nova Scotia.

Submarines in the northern waters are not a new phenomenon. As early as 1976 Danish newspapers reported that an effort was underway to develop systems capable of tracking submarines off West Greenland and elsewhere.

The next year POLITIKEN wrote that, "According to Scandinavian naval sources, Soviet missile-bearing submarines had found a passage under the polar ice and the Robeson channel, which separates Greenland from Ellesmere Island, to positions west of Greenland from which relatively antiquated missiles could reach Chicago."

"Wherever there is water to sail in, you can be certain that there will be Soviet submarines there," Captain Stevensen said. "They want to be familiar with every inch of ocean floor in the world."

"On the other hand, they are no more aggressive in their search for hydrographic information than we are," he added.

SURVEILLANCE BUOYS FROM SOVIET SUBS NOW FOUND IN FAEROES

Godthaab GRONLANDSPOSTEN in Danish 10 Aug 83 p 8

[Text] At almost the same time two surveillance buoys were found near Godthaab and Paamiut, a similar find was made near the Faeroe Islands. Here, too, a buoy was found of the type used for communications between a submerged submarine and its home base. And, as in the case of the Greenlandic discovery, the buoy was manufactured in the Soviet Union.

"Only this one buoy was discovered this time," a spokesman for the Faeroe Islands Military Command told GRONLANDSPOSTEN. "But several years ago we made a similar discovery around the islands here and it was a Russian buoy, as well."

The find near the Faeroe Islands was made in July and the buoy was found floating within the 3-mile limit east of the Faeroes.

Although it is impossible to say anything about where the buoys were lost, it can be said with certainty, at least in the case of the Faeroes buoy, that it was not lost recently.

As in the case of the buoy found near Paamiut, it was overgrown with seaweed and algae.

"It is clear, then, that it was not lost from a submarine in recent weeks," the spokesman from the Faeroes Military Command said. "Our guess is that it was at sea between 1 and 1.5 years before it was discovered here near the islands," he said.

No Sub Sitings

The Faeroe Islands have a large fishing fleet and the area in the immediate vicinity of the islands is not as extensive as the Greenlandic archipelago.

Despite the relatively heavy traffic in the waters around the Faeroes, no submarine sitings have been made, as they have near Greenland.

For this reason, the military authorities are hesitant to connect the recently found buoy with the incursion of foreign submarines into the territory of the Faeroe Islands.

As with the buoys found in Greenland, however, it is impossible to determine where the buoys were lost by the submarines.

In theory, it could have occurred anywhere in the Atlantic, according to a military spokesman.

9336

CSO: 3613/190

LOCAL HOME RULE GOVERNMENT TAKING ROLE IN U.S. BASE POLICY

Copenhagen AKTUELT in Danish 25 Aug 83 p 11

[Article by Peter Bergen: "Greenland to Come to Decision on USA's New Radar Bases"]

[Text] The Greenland home rule government is for the first time to come to a decision on the USA's military presence, and from the outset Greenland politicians disagree.

Via its embassy in Copenhagen the USA has expressed the desire to build two radar warning stations on the southern part of Greenland's west coast. The stations would be located near Bjørnesund north of Nanortalik and south of the settlement of Qeqertarsuatsiaat (Fiskenaesset).

They will replace two warning stations on the inland ice. Because of their location, one of them 2.7 km high, they must be supplied from the air and are exorbitantly expensive to operate. Modern engineering has now made it possible to position new stations more accessibly. And this is what the USA wants.

The USA's base in Thule and the four radar stations in South Greenland were established long before the home rule government. Aside from occasional critical remarks from individual politicians, the increased influence of Greenlanders on their own country up to now has not been of importance to the USA's military.

Although the two stations will not increase the USA's presence in Greenland, the home rule government has now come into the picture. The matter has been sent to the home rule government's national planning committee, which has home rule government President Jonathan Motzfeldt as its chairman. He tells Grønlands Radioavis [Greenland Radio News] that he will await more detailed plans before a decision is made on the USA's wish.

From the outset, however, the little left-oriented Inuit Ataqatigiit (IA) [pan-Eskimo party] party is against the plans. This is of significance, since the Siumut [socialist, radical home-rule party] government party without a majority in the home rule government must lean on the IA. "The new stations serve an offensive purpose and will increase the risk that Greenland

will become a bombing target in case of a conflict between the superpowers," says Arqaluk Lunge, IA chairman.

Other Greenland politicians are more positive. Nanortalik's mayor, Tage Frederiksen, elected for the Siumut party, has a directly positive attitude toward a radar station in his municipality. If only it provides work for the local population.

The installations, which will include access roads, runways and buildings, will be included in the so-called DEW (Distant Early Warning) Line. The DEW Line runs across Alaska and Canada's northern coast and further over Greenland, which contains four stations. One of these, south of Holsteinsborg, is already near built-up areas. The radar stations' job is to warn regarding bombers in the area between North America and the Soviet Union, which are separated here by just the northern polar region and Greenland. In Thule there is also an installation which is to record missiles on the way over the northern ice cap.

8985

CSO: 3613/185

CP ORGAN: PAN-ESKIMO PRESIDENT ROSING HITS U.S. BASE POLICY

Copenhagen LAND OG FOLK in Danish 23 Aug 83 p 1

[Article by John Wilken: "New USA Base in Greenland"]

[Text] The USA wants to build a new radar station in Greenland. It is a link in the development of the so-called DEW Line system and it will probably also be used to direct the newest American missile systems. The president of the Eskimo Arctic cooperation organization, the ICC [Inuit Circumpolar Conference], Greenlander Hans Pavia Rosing, tells LAND OG FOLK that "it is customary that when the Americans expand their military presence in Greenland it takes place behind closed doors." The ICC at its conference just held in Frobisher Bay in Canada passed a resolution demanding thinning out of the military in the arctic regions. At the same time it is demanded that the Arctic be made a nuclear-free zone. The USA instead wants to step up its military presence in Greenland and the Danish government's acceptance of the development of the American radar chain has obviously been obtained.

ICC Knew Nothing

The news of the military expansion in Greenland came in connection with Foreign Affairs Minister Uffe Ellemann-Jensen's visit to Greenland. At a press conference in Nuuk it was his opinion that the question does not come under his ministry, but must be discussed with his colleague, the defense minister.

The president of the Greenland home rule government, Jonathan Motzfeldt, could confirm at the press conference that the home rule government has been informed that the Americans will establish another radar station near the settlement of Gegertarsuatsiaat (Fiskenaesset) about 150 km south of Nuuk.

The president of the ICC, Hans Pavia Rosing, is also a member of the Greenland Landsting [Parliament], but although he is a member of the Siumut party [socialist, radical home-rule party]--the government party--he has not received any information regarding the new American plans from his party chairman and home rule government President Jonathan Motzfeldt.

Will Start Investigation

"It is an expansion of the military installations in Greenland and of Greenland's strategic role," Hans Pavia Rosing tells LAND OG FOLK. "We have just passed a resolution in the ICC which opposes the use of the arctic regions for military purposes and expansion of the military installations which already exist."

"Now we in the ICC must find out what role we have been chosen to play. We are in the process of doing this and the expansion of the Thule base also plays a role here. The news of this came also as a flash of lightning from a clear sky."

"It is typical that everything which has to do with the USA's presence in Greenland takes place behind closed doors," Hans Pavia Rosing says. "On the part of the ICC we will not be pleased that this here is just for peaceful purposes. We will have a thorough investigation and we will have clarified what role the new radar station is to play," ICC President Hans Pavia Rosing says to LAND OG FOLK.

8985

CSO: 3613/185

VALMET EXHIBITS TURBO-VINHA IN PARIS, WANTS EXPORT

Helsinki HELSINGIN SANOMAT in Finnish 29 May 83 p 38

[Article by Jyri Raivio: "Valmet Exhibits Its New Hope Turbo-Vinha in Paris. The Future of the Vinka Version Still Uncertain"]

[Text] A small Finnish flag fluttering in the summer breeze is the first sign to greet the crowds pushing to get in to the premises of the Paris Air Show.

The same kind of flag can be seen again at the rear of the huge second exhibition hall. Valmet, the only Finnish company participating in the Paris Air Show, has on display Vinka, a basic trainer of the air forces, Pik-23-Towmaster designed for towing gliders, antennas designed for receiving satellite transmissions as well as Valmet-L-80-TP, in other words, Turbo-Vinha, a novelty which has got a lot of publicity also in international aviation magazines.

In Paris Valmet continues the campaign it started four years ago to become known as a manufacturer to be taken seriously within the aviation industry. However, the destiny of the airplane manufacture of the Valmet plant in Kuorevesi and, at the same time, that of the entire Finnish aviation industry will not be determined at the Paris Air Show or at any other international fairs. The key position is now held by the committee for aviation industry led by Uolevi Raade which, by the end of the year, is supposed to make a suggestion about what ought to be done to the Finnish aviation industry.

While waiting for the final decision, Valmet waves with a small Finnish flag on international arenas and carries on its product research and development with a temporary target research financing from the Ministry of Trade and Industry (KTM). According to Juhani Mäkinen, plant manager of the Kuorevesi plant, who is leading the Valmet group in Paris, it would cost approximately 13 million marks to make the Turbo-Vinha suitable for serial production. The first parts of the plane have already been manufactured, and the number of people involved in the product research and development unit has increased from the earlier 10-12 people to 20. This unit is sponsored by KTM AND COORDINATED BY IKO, the development department of the aviation industry. The prototype is scheduled to fly in the beginning of 1985.

Valmet offers the Vinka version equipped with a modern turboprop engine as an advance trainer to the air forces, basing its sales expectations, above all, on an attractive price. The unit price of the Finnish plane is around 2.7 million marks, which is roughly half of the price of similar, although somewhat sturdier planes manufactured by competitors.

"Huge Losses"

However, a complete uncertainty in the future is the common denominator for all the Valmet products exhibited in Paris.

Valmet has not yet been able to sell Vinka to any other buyer than the Finnish Air Forces, although "serious discussions are being held also here in Paris with two potential buyers," according to Makinen.

Valmet, which does not favor plastic, is not going to start manufacturing the Pik-23 towing plane, and there is uncertainty about the manufacturer of reinforced plastic planes. According to Makinen, Valmet has also discussed the possibility of manufacturing the Pik-23 abroad under license.

The satellite antennas are a new product whose future, however, depends on whether Finland joins the Swedish-Norwegian TELE-X venture, and the future of the Turbo-Vinha, in turn, depends on whether Valmet gets target research financing from KTM also for next year. The company will not risk its own money on the product research and development of the aviation industry.

Neither did the company get any subcontracts it had hoped for to guarantee its basic production load, and the blame for all this Makinen places without hesitation on the Finnish airplane buyers within Finnair as well as in the air forces. According to him, in connection with big airplane purchases, the counterpurchases within the aviation industry should be clearly defined without forgetting prices and distribution of work. "We have not been mature enough for this, instead, we have negotiated too carelessly and hurriedly, and as a result, we have had huge losses. If the big purchases by Finnair and the air forces had been well utilized, the plant in Kuorevesi would not have any problems today," says Makinen.

12190
CSO: 3617/139

PAPER BACKS RIGHT OF NORDICS TO DEFEND AGAINST SUB INCURSIONS

Helsinki HELSINGIN SANOMAT in Finnish 2 Jun 83 p 2

[Editorial: "The Nordic Countries Must Be Constantly Protected"]

[Text] No man is a prophet in his own country. As a proof of this, Sweden's prime minister Olaf Palme, too, has expressed his current opinions about the security and the seriousness in the Nordic countries from the podium in the Finlandia Hall.

A couple of days ago, it was the 20th anniversary of president Kekkonen's famous initiative for a nuclear weapons free Nordic zone. Palme honored with his presence the occasion organized by the Paasikivi society.

In Palme's presentation Kekkonen's plan and the closing document of Helsinki formed a functional background to the estimates regarding the situation today. In this connection, the speaker also had an excellent opportunity to emphasize the active role of small countries and the results of the Finnish politics.

The continuous interaction between the Nordic situation and the relations between the superpowers was the leading idea in Palme's speech. The nuclear weapons free Nordic zone and measures taken to promote disarmament and security on the entire continent are linked together by destiny, but despite this, the work which is being done for the first one should not be made subject to the negotiations regarding the entire Europe.

The work for a nuclear weapons free Nordic zone represents a continuous process, through which we can influence the opinions in our own region. According to Palme, the project has, in this sense, its own absolute value as an inspirer of confidence.

The speech offered Palme also a good opportunity to repeat the basic elements of Sweden's foreign policy with regard to a nuclear free Nordic zone. In the eventual area, there should not be any missiles that could be used as targets. On the contrary, they should be withdrawn also from the surrounding areas. Furthermore, a nuclear weapons free Baltic Sea should be included in the entirety.

In his speech Palme also referred briefly to the submarine incidents and the measures which have been taken because of them. This part of the speech was very conciliatory. Palme only assured that in his country, there is a strong unanimity with regard to territorial violations: in the future, they must be prevented by all possible means.

At present, the security in Europe can be increased only by reducing the number of missiles and by improving the dialogue between East and West. The European nations, whether in East or in West, do not understand politicians who take the responsibility for maintaining or increasing the arsenal of nuclear weapons hanging over our continent like the sword of Damocles. This was the core of Palme's message.

We in Finland gladly agree with the guest on the idea that small countries have to constantly support the superpowers in maintaining and developing their mutual contacts. On the other hand, we do not always recall that the Nordic countries ability to avoid conflicts with one another is also a strong point from the viewpoint of security policy.

12190

CSO: 3617/139

UNITED STATES REPORTEDLY PLANS ROLE FOR GREECE IN NATO

Athens TO VIMA TIS KYRIAKIS in Greek 4 Sep 83 p 9

/Article by St. Evstathiadis: "Washington Planning to Propose New Role for Greece in NATO"/

/Text/ Washington, 3 September (from our correspondent)--"It is high time that this feud between Athens and Ankara should end," said last June by Rep. Lee Hamilton, Chairman of the House Subcommittee on European Affairs, gave the green light in a way to the State Department to move more energetically in that direction. In its turn the Pentagon, which realizes that for the termination of the Greek-Turkish dispute it must pay a price to Greece, appears prepared to "re-examine" Greece's role in NATO, and more specifically the issues related to the control of the air space over the Aegean under a "pro-Greek" prism, and has informed Athens about it. Officials in Washington believe the expected interest of Premier Papandreou to meet cadres of the American government, including President Reagan, stems from his interest in clarifying, on both sides, the "limits" of this new (?) Greek role in NATO. The coldness with which Papandreou's interest was received, at least on the part of the White House, is attributed to a large extent to the fact that Washington is not yet ready to "define" the dimensions of this role.

Today the indications are that Secretary of State Schultz, who is going to Madrid next week, will speak about this to Turkish Foreign Minister Turkmen who will be there and to Kharalambopoulos if he, too, is in Madrid.

In addition to these meetings with the foreign ministers of Greece and Turkey, Schultz will raise the issue of Greek-American rapprochement in the next meetings he will have (separately) with the two ministers the last week of September in New York during the annual session of the U.S. General Assembly. Indeed, in Washington they say this issue will be the top item on the (informal) agenda of their talks, but they add that "a plan of action" has not been drawn up as yet by the State Department.

The Reagan administration is keenly interested in having as early as possible "the restoration of the military functioning" of NATO's southern wing as the Pentagon loves to say. The explanation given for this urgency is the tension in the Middle East which, in Washington's view, is spreading to the north and Central Africa. The Reagan administration realizes that such a restoration is impossible without a real rapprochement between Athens and Ankara.

According to the State Department, "now is the moment" to try such a rapprochement. As they say, lately there have been soundings in both capitals to find out to what extent "a gradual improvement of the climate" in the Greek-Turkish relations is feasible. Their findings created "justified optimism" and this feeling is shared by members of Congress who directly or indirectly took part in these soundings.

Government officials say also that "it is a fact that Ankara and Athens today show greater tolerance toward each other and both toward Washington," and claim that the "American will" is understood better than ever before in the last few years in Athens and, more importantly, the objective conditions for understanding it exist.

The "Price" Which Must Be Paid to Greece

In their view, the definite settlement of the issue of the operation of the bases now allows Washington to ask from the Papandreou government greater understanding for the problems facing the U.S. in the region of the Eastern Mediterranean-Persian Gulf. "In one word this means Papandreou/NATO," explained an informal source in Washington speaking to VIMA.

At this point we must note that Washington spent a lot of time to decide on priorities: to seek first "full clarification of Greece's role in NATO," and then to promote a Greek-Turkish rapprochement or vice versa. It appears it was decided that the rapprochement should take place first because, as it was explained to VIMA, although psychologically it would be perhaps more difficult for Greece, the international situation and Moscow's position--which favors such a Greek-Turkish rapprochement for its own reasons--created for Washington better conditions than for NATO. This of course does not mean that side by side with the efforts for the Ankara-Athens rapprochement there will be no efforts to bring about a more genuine cooperation between Greece and NATO.

Of course the State Department realizes it must pay a price to the Papandreou government. It appears the price will be an American re-examination of the overall question of the Larisa Headquarters and mutually of the control of the Aegean air space. It can now be revealed that the new chief of the Sixth Fleet, Admiral Small, was instructed by "a very high authority" to inform the Greek government that the United States "never questioned" the Greek right to have control over the Aegean air space.

Admiral Small conveyed this message to Athens during his recent official visit, and as they say in Washington, the Greek reaction "allows for optimism." They say no more.

Washington also believes it has imposed enough discipline on Ankara to be able to forestall "ill-considered nationalist actions" which could be misinterpreted in Athens. The State Department, for instance, congratulates itself because, as it claims, it averted reactions by Turkish generals to recent

statements by the Greek government--which the State Department consider as "explosive" (sic)--as well as to "strange" Greek military actions following the initialing of the agreement for the bases.

The Americans are optimistic that the "levers" they have in Turkey will continue to operate in a pacifying way and they hope also that in the future they will be in a position to "keep within bounds" what in Washington they call Greece's "anti-Turkish stand."

As the Cypriot issue returns to the road of interminable talks, and does not appear that it may cause a crisis for some time, Washington believes this issue is also being removed from the "causes" of the Greek-Turkish dispute. (According to the dominant view "the Cypriot issue with its periodic crises gave Athens excuses for tension with Ankara and for complaints to Washington...)

In the State Department they also note two more elements they consider as levers for exercising influence on the Greek government. The first refers to the domestic, primarily the economic situation in Greece, which they say forces Papandreu "to turn" to Washington for some assistance and support of a political and moral nature.

In brief, in Washington they believe they now have the levers to influence Athens and that objectively there is in Greece today a situation which may allow the restoration of the military functioning of NATO's southern wing, and, of course, the Greek-Turkish rapprochement. In the State Department they let it be understood that lately they are working on the sequence of actions the Reagan administration will undertake in this direction. They also assert that any actions of the American government will be strengthened with corresponding interventions in Ankara, and mainly in Athens by certain West European countries. These countries have already been informed of the results of Washington's soundings in Athens and Ankara. According to the Americans, EEC "shows great willingness to help" the American effort in the two capitals. In the State Department some say that the EEC countries have equally effective levers as the US does to influence Athens and Ankara to restore the military functioning of NATO in the Eastern Mediterranean.

7520

CSO: 3521/441

SUB INCURSIONS SOLIDIFY DECISION TO STRENGTHEN NORTH FORCES

Helsinki HELSINKIN SANOMAT in Finnish 2 Jun 83 p 24

[Article by Vesa Santavuori: "The Main Point of the Defense Forces Will Still Be in the North"]

[Text] In Norway the Ministry of Foreign Affairs and the operative leaders of the army do not think that the recent submarine incidents in the territorial waters of Sweden and Norway have essentially changed the security-political situation in the Nordic countries.

The main point of the Norwegian defense policy is still in the north since the southern waters close to Norway are nevertheless, "less threatened," according to the estimates from Oslo.

It is most obvious that Norway does not want to discuss officially or even unofficially whether the security-political situation has changed in the Baltic Sea because of the submarine incidents.

It is true that in Sweden, especially the rightist press thinks that the situation has changed because of the Soviet violations of the Swedish territorial waters.

Norway Does Not Want to Comment

Sweden's Foreign Minister Lennart Bodstrom has, however, rejected the idea. Finland's President Mauno Koivisto also has said that, from the viewpoint of Helsinki, the general security-political situation in the Baltic Sea has not changed.

Norway's Ministry of Foreign Affairs does not want to discuss the matter. Officially, it has been stated, supporting and deepening the previous opinions, that the submarine incidents have only strengthened Norway's viewpoints.

The incidents are a practical proof of the fact "how difficult" the surveillance issues would be if a nuclear weapons free Nordic zone was created, says the Ministry of Foreign Affairs in Norway.

On several occasions, it has now been indicated that, in practice, it is extremely difficult to notice submarines--which can have nuclear weapons abroad--to make them surface and to find out their nationality.

This difficulty has its own, negative impacts on the nuclear weapons free Nordic zone, according to the sources in Oslo. Although the idea about the zone in itself will certainly stay "alive," the timing for its implementation is not right, estimates the Ministry of Foreign Affairs in Oslo.

As for the operative leaders of the Norwegian army, they react with official calmness to the recent submarine incidents.

One Admiral states dryly, referring to the incident which occurred in the fiord of Hardanger this spring, that essentially it is easy to destroy an intruder.

Thus, we let us understand that this spring the Norwegian fleet did not launch 24 Tern-missiles and 6 anti-submarine bombs in order to sink "the eventual intruder." The purpose was to warn and to chase away, according to the official announcements.

The submarine incidents off the Swedish coastline do not seem to have affected the thinking of Norwegian soldiers. "Sweden is capable of defending its own territories," is the official opinion of the Norwegian soldiers.

Danish Straits

As for the NATO countries, in case of an eventual crisis, "we will take care of the north, and Denmark and West Germany will take care of the Danish straits," say the soldiers here. Thus, the general procedures in the NATO Norway are the same as before.

By straits the Norwegian admirals mean the Danish straits through which the Soviet Baltic fleet has access to the Atlantic Ocean. It is believed that one of the goals of these widely discussed submarine activities in the Baltic Sea is to secure a passage through "the straits" also in a crisis.

On the basis of the Norwegian statements, one even dares to estimate that the officials in Oslo do not believe that the passage through the Danish straits has become essentially easier, despite the existence of the minisubmarines moving in shallow waters.

In any event the opinion of the admiral level in Oslo is that the surveillance of the straits is, for geographical reasons alone, mainly Denmark's duty and, for certain parts, also the neutral Sweden's.

Consequences of "Sundsvall Chase"

The publicity caused by the existence of the minisubmarines has, however, put certain extra pressure on the improvement of the Danish marine forces'

surveillance ability. However, the Norwegians are not willing to admit that the recent events would have essentially affected them. Among other things, they are not ready to answer, at least not yet, to the questions raised by the most recent submarine incident in Sweden, the so-called Sundsvall chase.

The Norwegian army regards the estimates according to which some superpower might attempt to attack Norway through Sweden, via Sundsvall, as "speculative"--an idea which has been discussed in a conversational manner in Sweden during this spring.

12190

CSO: 3617/139

MILITARY COMMAND, SALARY, QUARTERS CHANGES ENVISIONED

Madrid DIARIO 16 in Spanish 23 Aug 83 p 6

[Excerpt] Seventeen of the 20 lieutenant generals currently serving in the Land Army must be replaced before the end of 1984 upon reaching compulsory retirement age. Meanwhile, the Defense Ministry is preparing some important military reforms, such as replacing the JUJEM [Joint Chiefs of Staff] by a new military "summit" in the Armed Forces, bringing salaries into line with those of civilian officials and a reduction in the number of generals.

Madrid--By the end of 1984 the Spanish Armed Forces will have 20 new lieutenant generals--three in the Air Army and four new admirals--in the most important posts in the military chain of command.

Of the 20 lieutenant generals in the Land Army at present, only three will remain in the "weapons command" group by 31 December 1984. These are Juan Vicente Izquierdo, captain general of the 6th Military Region; Manuel Vallespin, captain general of the 3rd Military Region; and military adviser Jose Saenz de Tejada, who will pass to situation B in 1985 on reaching compulsory retirement age.

Among the important posts which Defense Minister Narcis Serra must fill as a result are most of the JUJEM--apex of the hierarchical pyramid of the Armed Forces (the chairmanship and chiefs of the Land and Air Armies, nine captaincies in the Land Army, one air region, two maritime zones and the director general of the Civil Guard.

Plans

As far as the JUJEM is concerned, it appears that Serra has not yet decided whether the retirement of those of its members who will reach situation B in the next few months will lead to the immediate internal reorganization of the Joint Chiefs of Staff, or whether that reorganization will be postponed until the middle of next year.

The minister's plans include a defense chief of staff who is more authoritative than those in the current JUJEM chairmanship and a commander in chief for each army; with such a plan the JUJEM would disappear.

It is the more or less immediacy of the implementation of the new plan that causes the number of candidates being shuffled around to fill the positions to vary, since such factors as age and rank must be taken into consideration.

Observers interested in defense matters who were consulted by DIARIO 16 give special significance to the announcement made by Narcis Serra last July at Melendez y Pelayo International University at Santander, to the effect that the Armed Forces, along with the increase in remuneration to equalize it with salaries of other civilian officials in the administration, should reduce its cadres and troops in line with the ministry's new policy.

It is believed that implementation of the plan for modernizing the Land Army envisages the gradual reduction by one half of the present number of generals (lieutenant generals, division generals and brigade generals).

For the 17 vacant lieutenant generalcies which will thus result, Minister Serra has 39 division generals, of whom 26 will reach situation B in what remains of 1983 and in 1984. However, the promotion of a division general to lieutenant general presupposes that his transition to situation B will be postponed for a period of about one to one and a half years.

With regard to this there has been speculation as to which of the division generals have a more medium term future for the promotion to lieutenant general, and the names being emphasized by military sources are those of Urrutia Garcia, Jose Tena Davila, Rodriguez Ventosa and the present chief of the DAC [expansion unknown], Pedrosa Sobral.

Modernization of Barracks Under Study

The Defense Ministry has asked technicians from the Department of Equipment for Restoration, Hotels and Group Living Quarters (HOSTELCO) to make a study of Spanish military barracks, sources at HOSTELCO have informed EFE.

The study will be in the form of a technical report and will analyze the present condition of the barracks and appropriate measures for their modernization. HOSTELCO also has information on foreign manufacturers of equipment for ship-board living quarters and on the internationally homologous nature of their products, so that domestic firms can offer the same services to the Spanish Navy.

The first exchange of information between military officials of the Defense Ministry and HOSTELCO technicians will take place in October, during the department's exhibition at the Barcelona Fair.

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CSO: 3548/490

BRIEFS

FORESTATION ATTEMPT WITH ALASKAN TREES—As an experiment, 1800 trees are now being planted in Greenland. The trees come from Alaska and were specially selected by the Agricultural College. Greenland is extremely bereft of trees, but over the last 30 years Ranger Poul Bjerre of the Upernaviarsuk research station in South Greenland has planted about 70,000 trees. Many have succumbed under the inclement climate, but the pines especially have done well. On plantations at the head of two fjords there are now pines which have reached a height of between 4 and 5 m. A row of white spruce which was planted on the order of 23 years ago near the airfield in Narssarssuaq is also doing well. Today they are at the height of large Christmas trees. Some Siberian larches which managed well at the start, however, are about to die out after being attacked by a fungus disease. This year Ranger Poul Bjerre is planting 1800 trees from Alaska in three different places in Greenland. However, there are no chances for Greenland's becoming a forestry country; the climate is simply too inclement most places. [By "Gnist"] [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 22 Aug 83 p 2] 8985

CSO: 3613/185

ALSATIAN POTASSIUM SALTS POLLUTE RHINE

Bonn VORWARTS in German 18 Aug 83 p 20

[Text] A scandal without end--even a judgment by a French court could not stop the Alsatian potash mines from dumping their salt waste in the Rhine.

Not far from the Alsatian nuclear power plant at Lessenheim on the upper Rhine, for years an embattled symbol of the feared endangering of man and nature by large-scale modern technology, one may observe a less conspicuous process, which is at the same time more wrought with consequences, hour by hour, day by day: a stinking brown brew, spreading pungent miasmas, flows in a narrow canal for a kilometer beside a small country road, and then pours into the Rhine at the nuclear reactor.

This potash transports a poisonous freight: salt, which comes from the potash mines near the Alsatian city of Mulhouse. The salt residue is produced during the conversion of the raw material into fertilizer. Up to 180 kilograms of salt are dumped into the Rhine every second, sometimes even as much as 18,000 tons per day.

Here on the upper Rhine lies one of the main sources of the salination of the Rhine, which is involving Europe's greatest drinking water reservoirs in the Rhine Valley and is particularly causing the Netherlands concern for its water supply. Dutch farmers can no longer use Rhine water to irrigate their vegetable crops and instead of it must bring in fresh water in tank cars at great cost.

For years the Netherlands and also the other states along the Rhine have been locking horns with France over the question of how the salt dumpings in Alsace might at least be partly eliminated. But Paris, and above all the potash mines and Alsatian regional politicians have always succeeded, in this conflict between economics and ecology, between national egoism and European understanding, to hold off the neighboring countries and saddle them with the garbage of their profitable industry in this case.

Now the Netherlands has achieved a great victory which causes their opponents much concern psychologically, but of course may still not prevent them from continuing to dump enormous amounts of salt residue into the Rhine.

Ten Dutch area associations had sued the potash mines before the Strassburg administrative court. And this French organ decided that the Netherlands were quite right. The judges found that the approval by the upper Alsatian prefects of the disposal of the salt in the Rhine was illegal because it was a violation of international law: it is improper to use one's own national territory economically in such a way that neighboring countries are unreasonably caused to suffer.

This noteworthy and courageous judgment of course remains without result. For one thing the potash mines filed an appeal, which should take some time. And for another thing the responsible prefect, after the invalidation of his old approval, simply issued a new ordinance which permits the mines again to dispose of the salt in the Rhine--even though with a time limit and accompanied by a mild warning to seek alternatives.

There have of course been such possibilities for a long time. They just have not been realized. Numerous hearings and discussions were held, contracts were concluded, legal opinions brought forth and documents submitted. But behind a plethora of activities the facts showed not the slightest change.

Already in 1976 all the riparian Rhine states signed the Rhine convention, which obligated France, with financial support from its neighbors, no longer to dump a part of the Alsatian salt into the Rhine but to sink it into strata about 2000 meters deep in Alsace, (where the potash salts, as a German example near Fulda demonstrates, can do no damage). While all the other states have ratified this treaty, the French National Assembly has not yet taken this step--in the face of many summons to do so by both left and right governments on the Seine.

Perhaps Nothing Further Will Happen

The reason: concern over the potash mines--state-owned besides--and a rebellion among Alsatian regional politicians. In earlier times the Giscardists and Gaullists did not want to anger their citadel on the Upper Rhine, and now the Socialists do not want to endanger their first electoral success.

The surprising Strasburg decision may still bring about some movement in the internal French discussion if The Hague and Bonn intensify their pressure on Paris. But perhaps nothing further will happen. The potash reserves of Alsace will be exhausted at the beginning of the next millennium. It is possible that the problem will at least solve itself at that time.

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Sept 30, 1983